

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

23 June 2020



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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 and S.I. No. 149 of 2013). This audit covers the period 1 January 2018 to 31 December 2018 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 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 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.
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- 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 2018 to 31 December 2018.

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. Twenty-two Members were, accordingly, selected.

4 Audit Opinion

In our opinion, twenty 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 **€343,317.88** claimed by them for the period under audit, i.e. 1 January 2018 to 31 December 2018 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 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, two 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 and S.I. No. 149 of 2013 in respect of a total of **€1,946.80** claimed by them for the period under audit and this expenditure was deemed ineligible for a variety of reasons.

A total of **€1,713.18** was disallowed as the cost did not fall within an allowable expenditure category;

A total of **€136.28** was disallowed because the expenses claimed did not relate to the relevant period; and

A total of **€97.34** was disallowed because adequate supporting documentation could not be provided to support the expenses.

In respect of these two Members, claims of **€19,686.96** were considered eligible and were allowed.

5 Refunds

A full refund by the two Members of the €1,946.80 due in respect of the above ineligible expenditure claimed was paid to the Oireachtas Commission.

6 Recommendations for future consideration in relation to the Oireachtas Guidelines

Having completed our review of Members expense claims for the period 1 January 2018 to 31 December 2018, 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 2018 a total of €1,946.80 claimed by the Members was deemed ineligible and this expenditure was disallowed for a variety of reasons. During the 2018 audit we noted that a total of €1,713.18 was disallowed as the cost did not fall within an allowable expenditure category, a total of €136.28 was disallowed because the expenses claimed did not relate to the relevant period and €97.34 was disallowed because adequate supporting documentation could not be provided to support the expenses. . 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 acknowledge that significant publicity, correspondence and related seminars in relation to the PRA Guidelines are actioned by the Oireachtas Secretariat and One Stop Shop on an on-going basis and to good effect. We recommend that these actions should continue to emphasise the requirements that the expenditure being claimed needs to be for allowable categories of expenditure only, be supported by appropriate back-up documentation covering the purpose and payment of the expenditure and be incurred in the relevant period.

6.1.2 Purchase of secretarial support, public relations, information technology (not internet related) and training services under a contract of service (Category 15)

Under the existing PRA guidance document re Category 15, Members must provide 'Invoices for the services provided including name, address, PPS number, companies' registration office number, where applicable'. We note that the scope of services which could be considered eligible under Category 15 is quite broad and may lead to a variety of interpretations. We recommend that the PRA guidance is updated to provide further clarity on the level of detail that should be available to support the expenditure and include the nature of services provided and proof of services provided. We noted that the PRA guidance specifically states that 'policy research' is disallowed. We recommend that consideration be given to outlining in the PRA guidance the definition of "policy research" and particularly the extent to which it would include social policy research, potential policy impact of legislation or party policy research.

6.1.3 Purchases supported by point of sale receipts

We recommend that consideration be given to updating the PRA guidelines with regard to the need for Members who are given only a Point of Sale receipt for the purchase of goods, that they should also obtain other supporting documentation to clearly set out that the expenditure is in relation to allowable PRA categories. This may be particularly relevant where the Member has purchased, at a retail outlet, materials or equipment to perform renovation/improvement works at the Member's office and only received a minimalist Point of sale receipt. It is suggested the Members provide supplementary information to support the purpose for which purchases are made.

6.1.4 Advertising relating to the performance of Members' duties (Category 13)

Under the PRA Guidelines, on page 20 the guidance states that *'In the case of social media advertising, the dates on which the promotion occurred must be indicated on the invoice provided'*. We observed that there appeared to be confusion amongst some Members about the documentation to be provided. This was particularly relevant for Facebook advertisements and the initial documentation submitted by Members varied considerably. We recommend that the PRA guidance is updated to include the requirement that Members should provide an invoice from the social media supplier which clearly indicates the date of the advertisement/promotion on social media and screenshots of the content advertised to verify that the content is in line with the PRA guidance.