



**Ard-Reachtaire Cuntas agus Ciste**  
**Comptroller and Auditor General**

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**Report on the**  
**Accounts of the Public Services 2024**

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**September 2025**

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# Report of the Comptroller and Auditor General

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## Accounts of the Public Services 2024

Article 33 (4) of the Constitution of Ireland requires me to report to Dáil Éireann at stated periods as determined by law. The Comptroller and Auditor General (Amendment) Act 1993 provides the main basis for such reporting.

### *Statutory reporting provisions*

Section 3 (10) of the 1993 Act requires me each year to prepare a written report that includes

- any matters I consider it appropriate to report arising from my audits of the appropriation accounts prepared by the Accounting Officers of government departments and offices in relation to the appropriations voted by Dáil Éireann for the previous financial year
- any matters I consider it appropriate to report arising from my examinations of the internal accounting controls operated by government departments and offices (in the current or previous financial year) to ensure the regularity of their financial transactions, the correctness of their payments and receipts, the reliability and completeness of their accounting records and the safeguarding of the assets owned and controlled by them
- the results of my examinations of the accounts of the revenue of the State collected by the Revenue Commissioners and of the accounts of such other persons who receive money which is by law payable into the Exchequer — these examinations include assessment of whether the accounts are complete and accurate, and whether the systems, procedures and practices have been established that are adequate to secure an effective check on the assessment, collection and proper allocation of the revenues.

Other statutes require me to prepare and present reports to Dáil Éireann on certain specific matters together with my section 3 (10) report.

Separately, section 11 of the 1993 Act provides for the preparation by me of certain special reports.

***Presentation of this report***

This is my report under Section 3 (10) of the 1993 Act relating to the 2024 financial year. The report is set out in four parts, which deal with the following matters

- the Central Fund of the Exchequer
- voted expenditure in 2024
- examinations of State receipts
- reports on other matters including statutory reports on the audits of the accounts of the National Treasury Management Agency, and of the Irish Fiscal Advisory Council.

The report was prepared on the basis of audited information, where available, and other information, documentation and explanations obtained from the relevant government departments and offices. Drafts of relevant parts of the report were sent to the departments and offices concerned and their comments were requested. Where appropriate, those comments were incorporated into the final version of the report.

The report is concerned with the accountability of departments and offices in respect of their administration of public funds. References to third parties should be read only in that context.

I hereby present my report for the year ended 31 December 2024 to Dáil Éireann in accordance with Section 3 (11) of the 1993 Act.

***Presentation of appropriation accounts 2024***

Section 3 (11) of the 1993 Act also requires me to present the appropriation accounts for the various Votes to Dáil Éireann together with the report prepared under section 3 (10).

I have certified each appropriation account for the year ended 31 December 2024 and submit those accounts, together with my audit certificates, to Dáil Éireann.



**Seamus McCarthy**  
**Comptroller and Auditor General**

30 September 2025

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**Report on the  
Accounts of the Public Services 2024**

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## **Central Government**

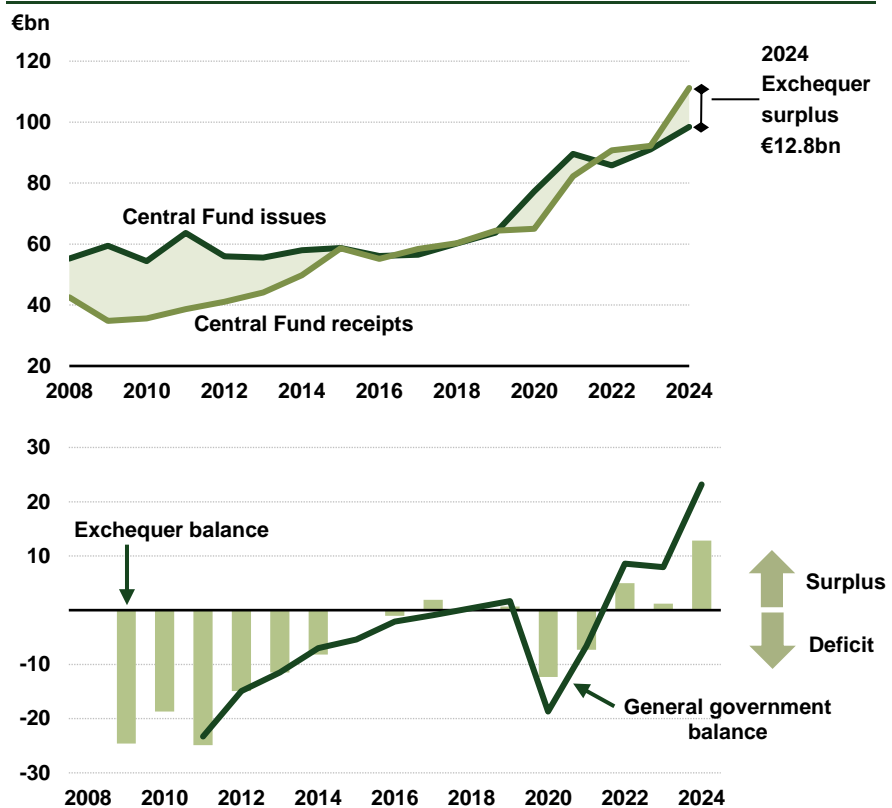
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# 1 Exchequer financial outturn for 2024

- 1.1 All revenues of the State are paid into the Central Fund of the Exchequer unless otherwise determined by law.<sup>1</sup> Issues from the Central Fund are used mainly to fund expenditure on State services, and to service State debt.
- 1.2 The annual Finance Accounts present the receipts into and issues from the Central Fund, together with details relating to borrowing undertaken by the National Treasury Management Agency (NTMA) on behalf of the State.<sup>2</sup>
- 1.3 In 2024, the Exchequer surplus was just under **€12.8 billion** (see Figure 1.1). This compares with a surplus of €1.2 billion in 2023.
- 1.4 The general government balance provides a more complete view of the State's fiscal performance. In 2024, the general government surplus was around **€23.2 billion**. This was three times the 2023 surplus of €7.9 billion.<sup>3</sup>

**Figure 1.1 Central Fund receipts and issues, and Exchequer and general government balances, 2008 – 2024<sup>a</sup>**



1 State revenue not paid directly into the Central Fund includes, for example, Pay Related Social Insurance (PRSI) receipts, which are paid into the Social Insurance Fund.

2 Transactions recorded in the 2024 Finance Accounts represented around 75% of total general government revenue and around 78% of total general government expenditure.

3 The general government balance measures the fiscal performance of the general government sector, and is the standard benchmark used for comparative purposes across the European Union. Annual and quarterly general government finance statistics are prepared by the Central Statistics Office. See Annex 1A for an outline of these statistics.

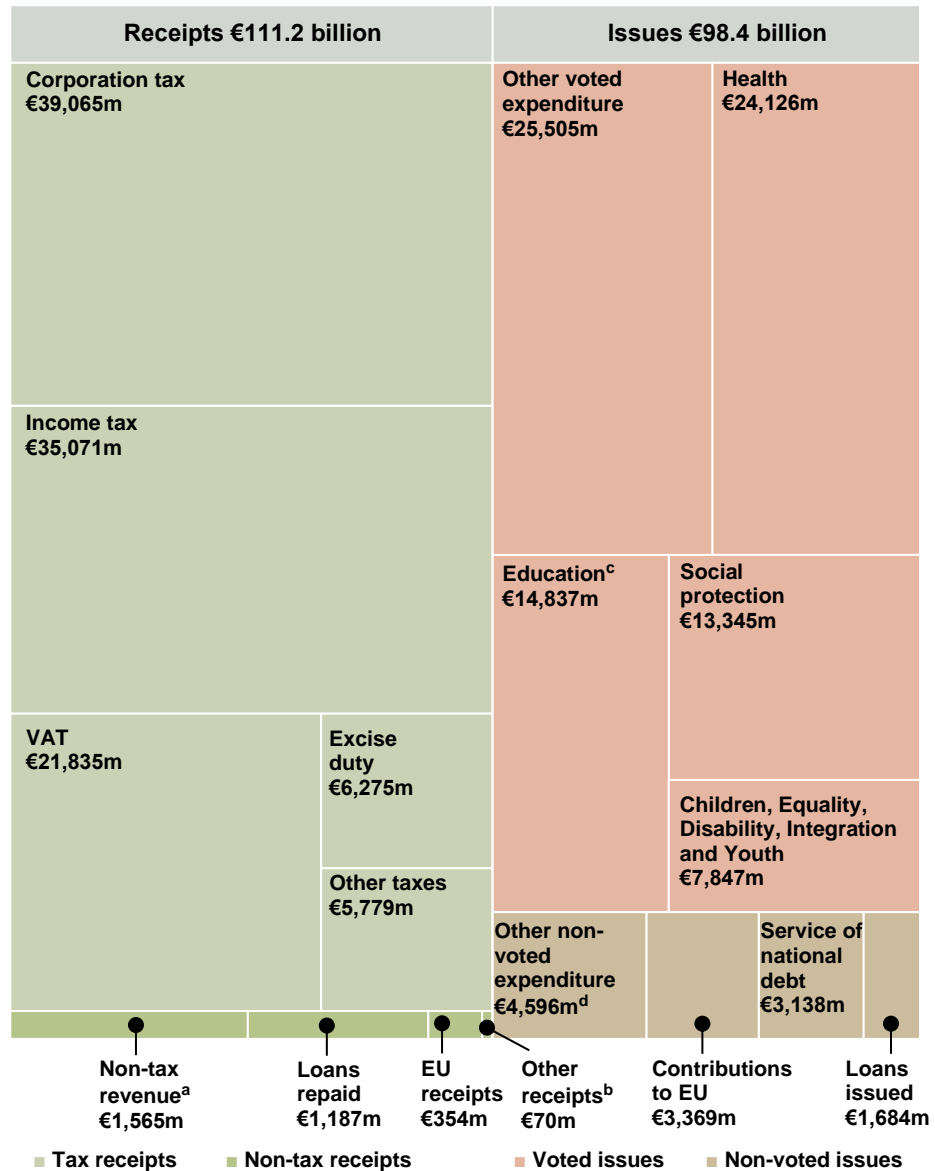
Source: Finance Accounts 2008 to 2024 (Exchequer balance). Central Statistics Office: Government Finance Statistics, April 2025 (general government balance).

Note: a Central Fund receipts and issues include the service of national debt but exclude borrowing undertaken by the NTMA on behalf of the State and the repayment of national debt. See Annex 1B, Figure 1B.1 for analysis of Central Fund receipts and issues for 2019 to 2024.

### Central Fund receipts and issues

1.5 Central Fund receipts in 2024 totalled **€111.2 billion**. Taxes accounted for 97% of the receipts (see Figure 1.2).<sup>1</sup> Issues in 2024 totalled **€98.4 billion** comprising issues for voted services (87%), servicing of national debt (3%), contributions to the European Union (EU) (3%), other non-voted expenditure (5%) and loans issued (2%).

Figure 1.2 Central Fund receipts and issues in 2024



Source: Finance Accounts 2024. Any apparent differences in totals are due to rounding.

- Notes:
- a Includes yield from National Lottery (€238m), National Asset Management Agency (NAMA) surplus income (€400m), share dividends (€290m) and current receipts collected by government departments and offices (€340m).
  - b Includes capital receipts collected by government department and offices (€70m) and Gaeltacht loans repaid (€5,000).
  - c Includes Department of Further and Higher Education, Research, Innovation and Science with expenditure of €3.4 billion in 2024.
  - d Includes payments to the Future Ireland Fund of €4.05 billion and €62 million in payments charged to the Central Fund in respect of certain salaries, allowances and pensions.

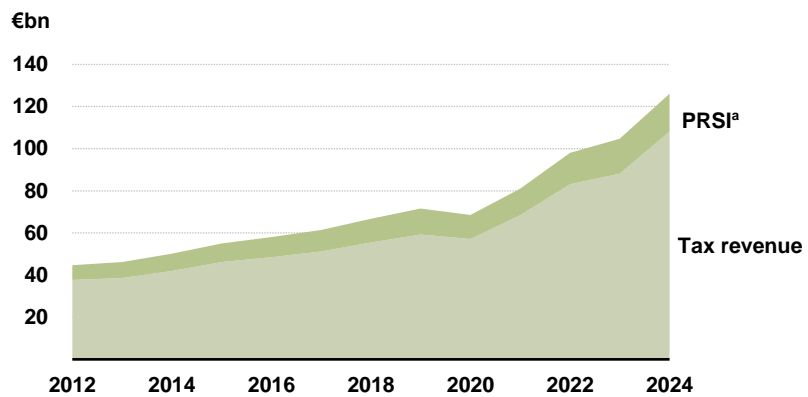
<sup>1</sup> An analysis of Central Fund receipts and issues (excluding NTMA borrowing) for the years 2019 to 2024 is set out in Annex 1B, Figure 1B.1.

## Exchequer receipts

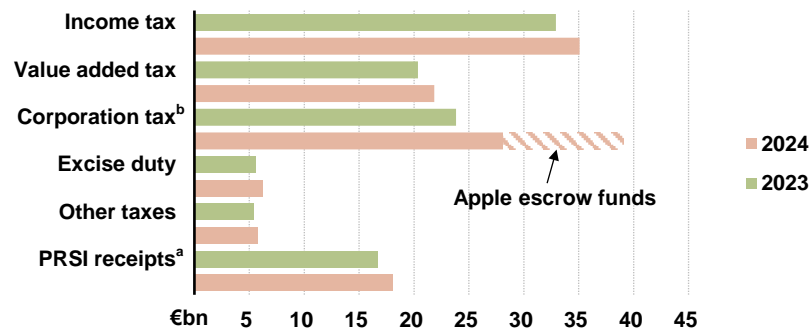
### Tax receipts

- 1.6 Tax receipts in 2024 were €108 billion, the highest ever tax yield collected by the State. Significant increases in corporation tax receipts (64%), excise duty (12%), income tax (7%) and VAT (7%) contributed to the record yield (see Figure 1.3).
- 1.7 Corporation tax receipts were the State’s largest income stream in 2024, overtaking income tax receipts for the first time and exceeding VAT receipts for the third consecutive year. The receipts in 2024 were boosted by the receipt of €10.9 billion as part of the winding down of the Apple escrow account following the finalisation of a long-running legal case.<sup>1</sup> The winding down of the account continued into 2025.

Figure 1.3 Tax revenue and PRSI receipts, 2012 – 2024



### Year-on-year change by receipt type



<sup>1</sup> Report on the Accounts of the Public Services 2024, chapter 26, Winding up of the Ireland Apple escrow fund.

Source: Finance Accounts. Social Insurance Fund accounts.

- Notes: a PRSI receipts are paid directly into the Social Insurance Fund.
- b Corporation tax revenue in 2024 includes €10.9 billion in receipts arising from the Court of Justice of the European Union ruling of 10 September on State aid.

**Non-tax receipts**

*Temporary solidarity contribution*

**1.8** Non-tax revenue in 2024 included €104 million received as a ‘temporary solidarity contribution’ under the provisions of the Energy (Windfall Gains in the Energy Sector) (Temporary Solidary Contribution) Act 2023.<sup>1</sup> The contribution arose from a statutory levy applied to surplus profits generated in 2022 and 2023 by energy companies with activities in the extraction, mining or refining of petroleum, natural gas, coal or the manufacturing of coal products.

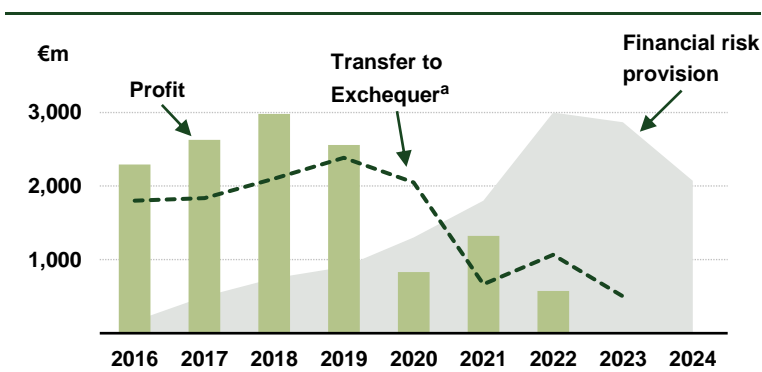
*Central Bank surplus*

**1.9** There is statutory provision for the transfer of at least 80% of the profits of the Central Bank of Ireland to the Central Fund. The amount received each year is based on the Central Bank’s surplus for the previous financial year, as reported in the audited financial statements of the Central Bank of Ireland i.e. a one-year lag. Because the Central Bank reported breakeven (nil profit or loss) for 2023, there was no transfer to the Exchequer in 2024.

**1.10** In accordance with Governing Council of the European Central Bank (ECB) guideline, the Central Bank has, since 2016, provided for financial risks to which the bank is exposed (such as interest rate risks).<sup>2</sup> From 2016, this provision increased significantly, resulting in a reserve totalling €3 billion by the end of 2022.

**1.11** In 2023 and 2024, the Central Bank incurred losses due to an interest rate mismatch where the interest paid by the Central Bank on its liabilities increased rapidly while the interest it earned on its assets remained relatively unchanged. This resulted in a net loss of €132 million in 2023 and of €795 million in 2024. These losses were covered by the financial risk reserve, resulting in reductions in the provision amount. The value of the provision at the end of 2024 totalled almost €2.1 billion (see Figure 1.4).

**Figure 1.4 Central Bank financial performance, 2016 – 2024**



Source: Central Bank financial statements 2016 to 2024. Finance Accounts 2016 to 2024.

Note: a The amount transferred in a year relates to the surplus from the previous year.

<sup>1</sup> Report on the Accounts of the Public Services 2024, chapter 23, Receipts from the capping of electricity sales revenues.

<sup>2</sup> Article 8 of the [European Central Bank Guideline 2024/2941](#) permits a National Central Bank (NCB) to establish a provision for financial risks in its balance sheet and to decide on the size and use of the provision on the basis of a reasoned estimate of the NCB’s risk exposure.

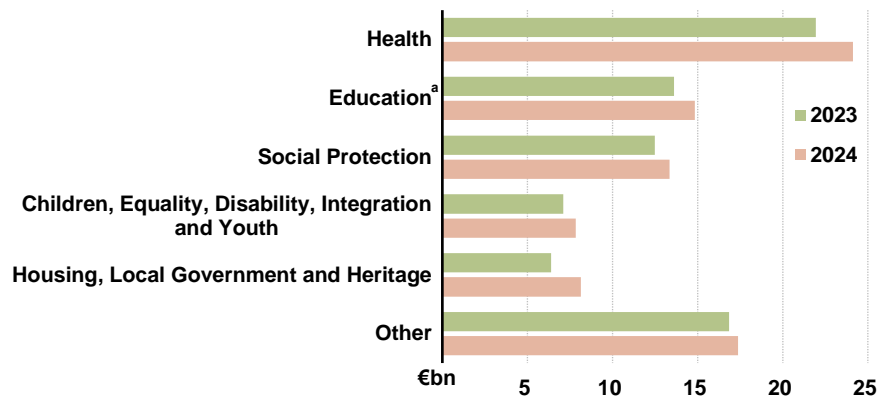
### Central Fund issues

**1.12** Issues from the Central Fund increased in 2024 to €98.4 billion — up €7.4 billion or 8% on the prior year (€91 billion).

#### Voted issues

**1.13** Issues for voted expenditure increased by €7.3 billion (9%) to €85.7 billion. Four government departments accounted for just over 61% of the voted issues — Health, Social Protection, Education, and Further and Higher Education, Research, Innovation and Science (see Figure 1.5).

**Figure 1.5 Issues for voted departmental expenditure, 2023 and 2024**



Source: Finance Accounts 2023 and 2024

Note: a This includes the votes for Education and Youth, and for Further and Higher Education, Research, Innovation and Science.

### Lending to Uisce Éireann

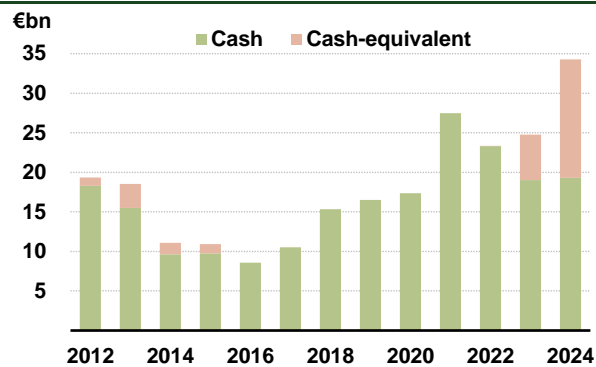
**1.14** Amounts totalling €184 million were issued from the Central Fund in 2024 to Uisce Éireann under a 2020 loan agreement entered into with the Minister for Finance. Under the agreement, over €1 billion will be made available to Uisce Éireann to repay existing non-domestic commercial debt and to fund its future non-domestic water borrowing requirements. The total amount drawn down to end-2024 was €998 million (see Annex 1B, Figure 1B.3).

## Exchequer assets

### Cash and cash equivalents

- 1.15** The value of cash held by the Exchequer totalled €19.3 billion at end-2024 — an increase of 2% when compared to end-2023.
- 1.16** In addition to cash, the Exchequer had assets in cash-equivalent form, with almost €15 billion invested in treasury bills issued by other European sovereigns and supra-national agencies (see Figure 1.6). The practice of investing in treasury bills and other forms of short-term lending recommenced towards the end of 2022 to take advantage of the return to positive interest rates.

**Figure 1.6 Central Fund cash and cash equivalents at year-end, 2012 – 2024**



Source: Finance Accounts, 2012 to 2024

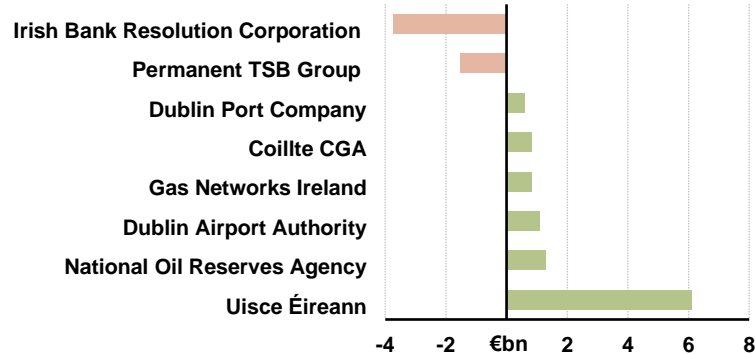
### Shareholdings in Irish companies

- 1.17** Shareholdings in 25 State and private companies are disclosed in the Finance Accounts.<sup>1,2</sup> The State's interest in these companies is recorded at historic cost, and at 31 December 2024 totalled €8.11 billion. This included a new shareholding acquired in Gas Networks Ireland in 2024.
- 1.18** Shareholdings at cost in Irish Bank Resolution Corporation Limited (IBRC), Permanent TSB Group, Coillte CGA, Uisce Éireann, Gas Networks Ireland and the Dublin Airport Authority represent just over 95% (by value) of the total shareholdings as disclosed in the 2024 Finance Accounts.
- 1.19** Up to end 2013, the Finance Accounts also disclosed details of the net asset value (NAV) of the shares.<sup>3</sup> Figure 1.7 illustrates the difference between the NAV and the historic cost of the equity for the eight companies with the highest movement in NAV. The total NAV for those eight companies at 31 December 2024 was €13.2 billion and the historic cost was €7.7 billion, a difference of €5.5 billion.

<sup>1</sup> See statement 1.8(A) of the Finance Accounts 2024.

<sup>2</sup> The Finance Accounts are not a comprehensive financial statement for the State, and do not list all its assets and liabilities. The State holds an interest in more entities than those set out in the Finance Accounts.

<sup>3</sup> Net asset value, or NAV, is the value of a company's assets minus its liabilities.

**Figure 1.7 Movement in net asset value of share capital to historic cost, at end-2024**

Source: Department of Finance

### ***Shareholdings in international bodies***

- 1.20** Shareholdings in 12 international bodies are disclosed in the Finance Accounts.<sup>1</sup> The State's interest in these international bodies is recorded at historic cost, and at 31 December 2024 totalled €1.65 billion. In 2024, this included shares to the value of €11 million acquired in the African Development Bank and €5.3 million in the Council of Europe Development Bank.
- 1.21** The majority of the State's shareholdings in international bodies at 31 December 2024 is Ireland's contribution of €1.27 billion to the European Stability Mechanism.

### ***Sundry Moneys Account***

- 1.22** The Sundry Moneys Account (SMA) is a temporary holding account that records transactions and balances that usually are received into the Central Fund of the Exchequer but that are held back until proper and sufficient instructions are received to allow final disposal of the funds.<sup>2</sup> Administratively, the objective is to minimise the time that funds are held in the account, to ensure timely receipt into the Central Fund where this is the appropriate disposal.
- 1.23** Receipts into the SMA in 2024 totalled over €619 million, while transfers out to the Central Fund amounted to €596 million. In 2024, funds totalling around €10.8 million were transferred from the SMA to other destinations: the European Commission (€6.9 million), the Department of Culture, Communications and Sport (€2.9 million) and the Department of Housing, Local Government and Heritage (€1 million).
- 1.24** The balance held in the SMA at the end of 2024 was over €40 million, most (95%) of which had been received in the previous 30 days.

<sup>1</sup> See statement 1.8(B) of the Finance Accounts 2024.

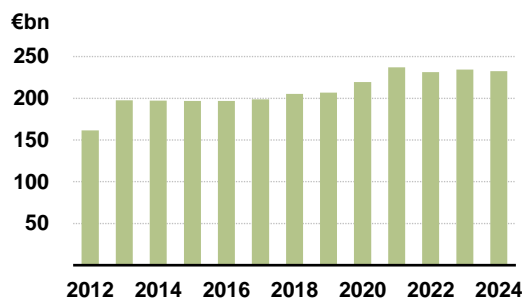
<sup>2</sup> The SMA is managed by the Department of Finance and is accounted for in an appendix to the Finance Accounts.

## Exchequer liabilities

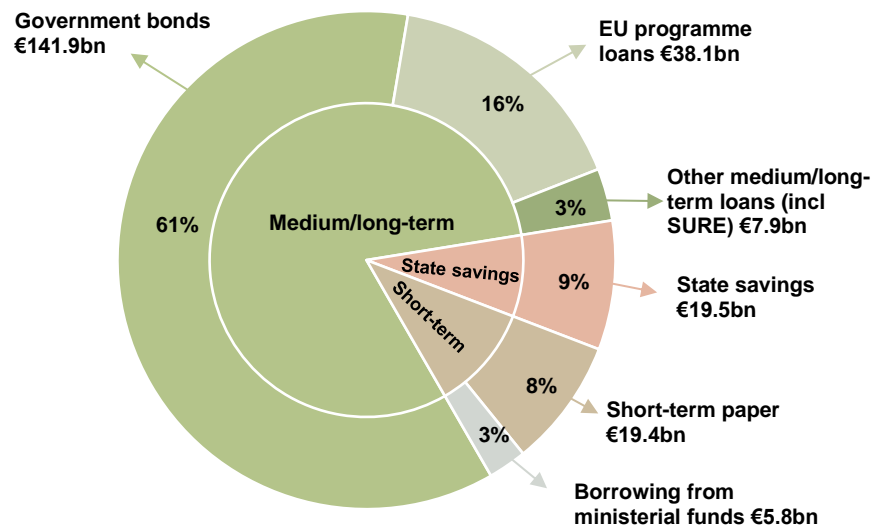
### National debt

- 1.25 Ireland’s national debt decreased by 0.8% (€1.9 billion) in 2024 to €232.6 billion at the year-end (see Figure 1.8).<sup>1,2</sup>
- 1.26 Over 80% (€187.9 billion) of the national debt at end-2024 was in the form of medium and long-term borrowing. This comprised mainly government bonds (fixed rate, amortising and inflation linked), EU programme loans (European Financial Stabilisation Mechanism and European Financial Stability Facility) and the European instrument for temporary support to mitigate unemployment risks in an emergency (SURE).
- 1.27 Debt arising from the various State savings schemes accounted for €19.5 billion, or 9% of the national debt at end-2024.

**Figure 1.8 National debt at redeemable par values, 2012 – 2024**



### Composition of national debt at end-2024



1 National debt is defined by section 1 of the National Treasury Management Agency Act 1990 as the debt outstanding for the time being of the Exchequer.

2 National debt is a gross measure before deduction of cash and other financial assets.

Source: Financial Statements of the National Debt of Ireland 2024, National Treasury Management Agency. Any apparent differences in totals are due to rounding.

**1.28** Short-term debt accounted for €25.2 billion of the national debt at end-2024. This comprised ‘short-term paper’ to the value of €19.4 billion; borrowings from the Post Office Savings Bank Fund of €3.8 billion; and €2 billion of surplus funds held in the supply account of the Paymaster General.<sup>1,2</sup>

**1.29** €19.4 billion in short-term paper was issued to government bodies. In effect, this was borrowing of surplus funds they hold. The majority of this is held in the form of Exchequer notes and comprised €18.1 billion borrowed from central government bodies and funds; €0.8 billion from local authorities; and the balance from other public sector bodies.

**General government debt target**

**1.30** General government debt (GGD) is a more comprehensive measure of State indebtedness than national debt, and is the standardised measure which all EU countries are legally obliged to report under the Maastricht Treaty.<sup>3</sup>

**1.31** At the end of 2024, GGD totalled €218.2 billion. The difference — around €14.4 billion — between GGD and national debt is primarily due to netting (on consolidation) of the debt securities held by other government bodies and the addition of local government borrowing from outside the government sector.

**1.32** European fiscal rules state that member states’ GGD should not exceed 60% of their gross domestic product (GDP) or, if greater, should steadily decrease towards the 60% target.<sup>4</sup> Due to past strong GDP growth, Ireland’s GGD ratio had reduced to 40.9% at end-2024 (see Figure 1.9).<sup>5</sup>

**1.33** GNI\* is an indicator (based on gross national income) designed specifically to measure the size of the Irish economy by excluding globalisation effects.<sup>6</sup> At the end of 2024, the debt to GNI\* ratio was 68% (75.7% in 2023).<sup>7</sup>

1 Short-term paper debt has an original maturity of less than one year.

2 The surplus public expenditure moneys account records the borrowings and repayments of surplus funds held in the supply account of the Paymaster General.

3 General government debt comprises the debt liabilities of central government, local government and social security funds, excluding debt owed by one sector of government to another.

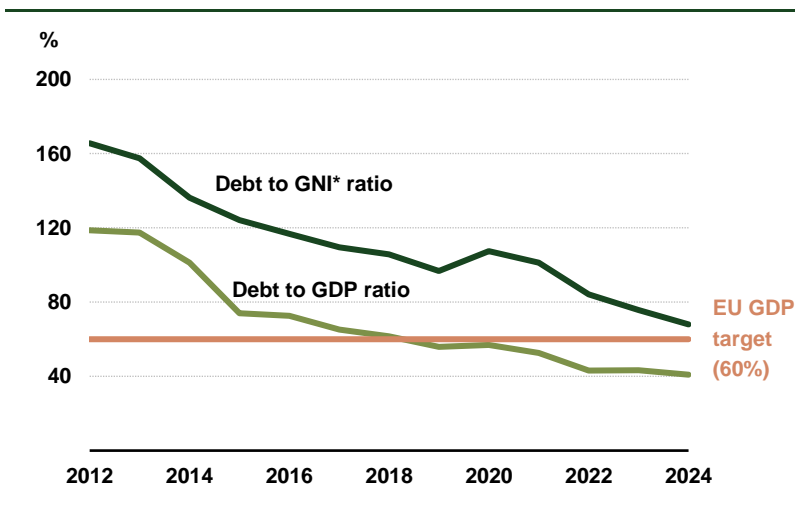
4 In April 2024, the Council of the European Union adopted significant reforms to the EU fiscal rules. Under these new rules the 60% target remains unchanged.

5 [Government finance statistics 2024](#).

6 GNI\* is generally expressed as ‘GNI star’.

7 The debt to GNI\* ratio for 2023 was initially reported at 75.9%. This was subsequently revised to 75.7%, as published by the Central Statistics Office in July 2025.

**Figure 1.9 Ireland’s debt to GDP and debt to GNI\* ratios, 2012 – 2024 (percentage)**

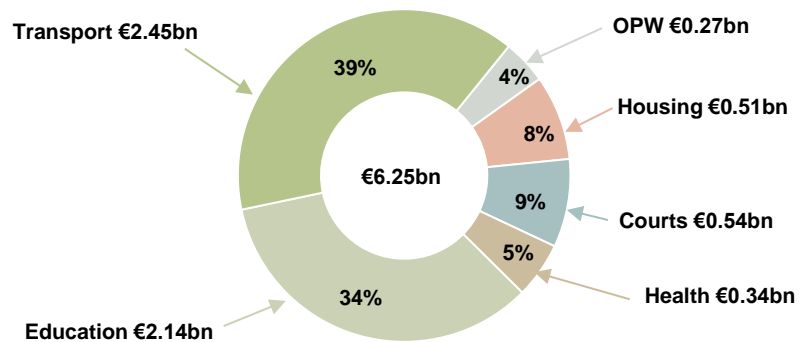


Source: Central Statistics Office; Department of Finance

### Public private partnerships

- 1.34 A public private partnership (PPP) is an arrangement between a public authority and a private partner designed to procure and deliver public infrastructure assets and/or services under long-term contracts. The asset is funded and constructed by the private partner, following which it is made available for public use and is paid for by the State and/or by users (through user charges) over an extended period (typically 25 years), after which the asset comes into State ownership.
  
- 1.35 PPPs are typically regarded as an ‘off-balance sheet’ funding mechanism from a general government perspective, because liabilities under PPP contracts are generally not included in the calculation of GGD. Liabilities are met as they arise from voted issues out of the Central Fund, or from user charges in the case of PPP concession projects.
  
- 1.36 Future commitments under PPP projects are tracked by the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (Department of Public Expenditure). At the end of 2024, 31 PPP schemes were fully operational and three were at development stage. At that date, future PPP commitments totalled just over €6.25 billion (2023: €5.92 billion) (see Figure 1.10). The increase was mainly attributable to the Higher Education Bundle 1 project which became operational in 2024.<sup>1</sup>
  
- 1.37 Expenditure on PPP unitary payments totalled around €308 million in 2024 (2023: €338 million). Under the deals currently in place, the Exchequer is committed to making payments totalling on average around €358 million a year until 2035.<sup>2</sup> Thereafter, payments under those deals will taper off as the older contracts reach completion.

**Figure 1.10 Composition of projected total cost of all PPP outstanding payments**



1 The Higher Education Bundle 1 is a PPP for construction of facilities focusing on STEM, ICT, engineering and life sciences at six technological universities across Ireland.

2 Aggregate annual repayment levels in this period could increase as new PPP contracts are put in place.

Source: Department of Public Expenditure. Any apparent differences in totals are due to rounding.

## Funding of the Land Development Agency

- 1.38** The Land Development Agency (the Agency) was established in 2018 by statutory order. Its primary function is to coordinate land within public control for use for housing purposes, and to develop and manage housing on public and other land, on its own account or in combination with others. The Agency was funded directly from Vote 33 Housing, Local Government and Heritage until March 2022.
- 1.39** Under the Land Development Agency Act 2021 (the Act), the Agency was reconstituted as a designated activity company.<sup>1,2</sup> The Act provides for the Minister for Housing, Local Government and Heritage (Minister for Housing) and the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (Minister for Public Expenditure) to be the sole shareholders in the Agency.
- 1.40** The Act also provides for the Minister for Finance to direct the allocation of funding from the Ireland Strategic Investment Fund (ISIF) — managed by the NTMA — either as loans to the Agency, or for the purpose of discharging the liability in respect of the shares allotted and issued to the shareholder Ministers.
- 1.41** The total ISIF funding made available in respect of investment in the Agency, whether by way of payment for issued share capital or by way of loan, is capped at €3.75 billion collectively, by legislation.<sup>3</sup>
- 1.42** The total funding issued from the ISIF to the Agency up to the end of July 2025 was €1.75 billion in issued share capital (see Figure 1.11). To date, the Agency has not received any ISIF funding by way of a loan from the NTMA.
- 1.43** The State's investment in shares of the Agency is not disclosed in the Finance Accounts.<sup>4,5</sup> Instead, a note to the appropriation account for Vote 11 Public Expenditure, National Development Plan Delivery and Reform discloses the Minister for Public Expenditure's shareholding in the Agency.

1 The Agency established under the 2018 order was dissolved by the 2021 Act, and its staff, assets and liabilities transferred to the statutory Land Development Agency on 31 March 2022.

2 The Act provides for the Agency to be audited by the Comptroller and Auditor General (commencing for the 2022 financial year).

3 [Section 30\(b\) of the Land Development Agency Act 2021](#), [Section 69 of the Local Government \(Mayor of Limerick\) and Miscellaneous Provisions Act 2024](#) and [Section 17 of the Housing \(Miscellaneous Provisions\) Act 2024](#).

4 See statement 1.8(A) of the Finance Accounts 2024.

5 The Department of Finance stated that the Finance Accounts are not a comprehensive financial statement for the State, its assets and liabilities and that the State holds an interest in more entities than those set out in the Finance Accounts.

**Figure 1.11 ISIF funding issued to the Agency**

Date issued	€ million <sup>a</sup>
March 2022	100
February 2023	250
May 2023	275
November 2023	300
June 2024	325
January 2025	100
July 2025	400
<b>Total</b>	<b>1,750</b>

Source: Land Development Agency and National Treasury Management Agency

Note: a Except for shares to the value of €1 million allocated to the Minister for Housing, the shares were issued to the Minister for Public Expenditure.

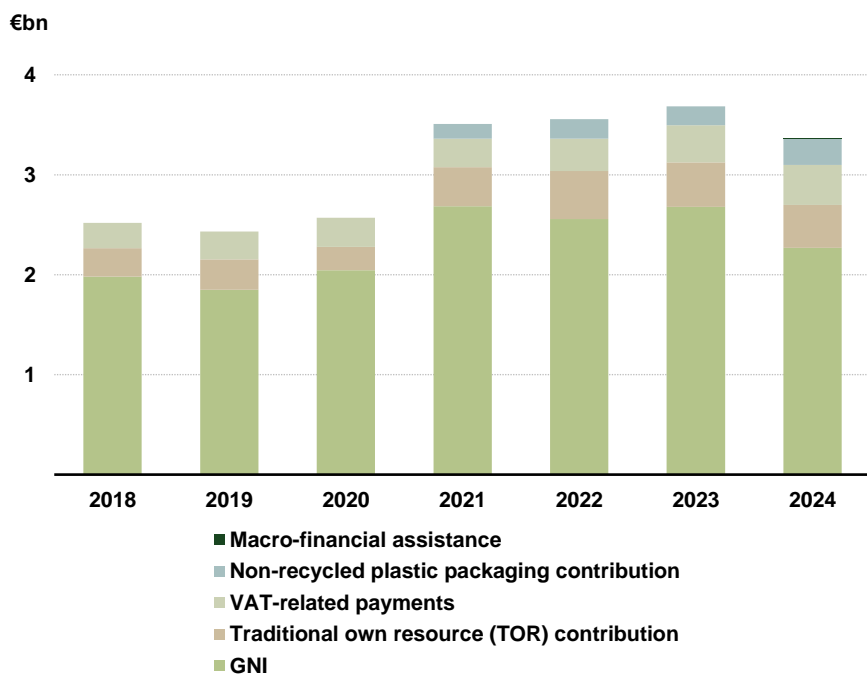
## Reporting Ireland’s EU transactions

- 1.44 In January 2020, the Department committed to publish an annual report, on a consolidated basis, on the financial transactions between Ireland and the EU. The aim of the report is to provide a comprehensive overview of such transactions in a single document, since this information is not otherwise readily available.
- 1.45 The Department published its report on Ireland’s 2023 transactions with the EU in July 2025.<sup>1</sup>

### *Ireland’s contribution to the EU*

- 1.46 In 2024, Ireland contributed €3.4 billion to the European Union budget (see Figure 1.12).<sup>2</sup> The contribution comprises the following elements.
  - GNI 'own resource' contribution of €2.3 billion — based on the level of income as defined by gross national income (GNI) of a member state.<sup>3</sup>
  - 'Traditional own resource' (TOR) contribution of €430 million — based on customs duties collected by the Revenue Commissioners on imports from outside the EU, of which 75% is payable to the EU.
  - VAT-based contribution of €399 million — 0.3 per cent on Ireland's VAT base.
  - A contribution based on the weight of non-recycled plastic packaging amounting to €261 million.
  - Macro-financial assistance amounting to €10.2 million — a new contribution for 2024.

**Figure 1.12 Ireland’s contribution to the EU budget, 2018 – 2024**



1 Annual Report on Ireland’s Transactions with the EU 2023 can be found [here](#).

2 This excludes payments by Ireland arising from funding recovered by the EU and fines imposed by the EU.

3 GNI own resource contribution is deemed the balancing element to ensure that all agreed expenditures in an EU annual budget are sufficiently covered by the total budget revenues. Depending on the total annual revenues required to finance expenditure, a uniform call rate is applied to each member state’s GNI. The call rate varies from year to year.

### ***Macro-financial assistance contribution***

- 1.47** In 2023, the EU provided €18 billion in macro-financial assistance (MFA) loans to Ukraine.<sup>1</sup> MFA is a form of financial aid by the EU to help a partner country stabilise its economy. It takes the form of medium/long-term loans or grants or a combination of these.
- 1.48** The MFA support provided to Ukraine includes interest rate subsidies. These are covered to the extent possible from the EU budget, and where funds available in the EU budget are insufficient, directly by the member states.
- 1.49** Legislation was enacted in 2024 to provide a legal basis for a contribution agreement between Ireland and the EU along with the interest subsidy payments — the Finance (State Guarantees, International Financial Institution Funds and Miscellaneous Provisions) Act 2024. The legislation also capped Ireland's contribution over the lifetime of the current multiannual framework (2021 to 2027) at just over €63.6 million.
- 1.50** In 2024, Ireland paid a total of €10.2 million in respect of its share of the interest rate subsidy on the MFA support to Ukraine from the Central Fund.

### ***Contribution corrections***

- 1.51** In 2018, the EU Commission identified an EU-wide fraud pattern relating to the import of textiles and footwear from China at significantly understated values which led to a systematic loss of EU TOR over several years. The Commission calculated Ireland's share of the total EU losses incurred at €30.4 million (0.69%). Ireland paid the €30.4 million from the Central Fund in 2021, on reserve, to avoid the accumulation of late-payment interest on the losses.
- 1.52** In July 2024, Ireland received notification from the EU Commission that all investigations had concluded and that there was no TOR loss for Ireland. The €30.4 million has been recouped to the Central Fund — €9.8 million in July 2023 and €20.6 million in August 2024.
- 1.53** Expenditure of the European Public Prosecutor's Office (EPPO) is borne by the participating EU member states.<sup>2</sup> Because Ireland (as well as Denmark and Hungary) does not participate in the EPPO, it receives an adjustment to the annual contributions. Just under €29 million was refunded to Ireland by way of reducing Ireland's contributions in December 2024.

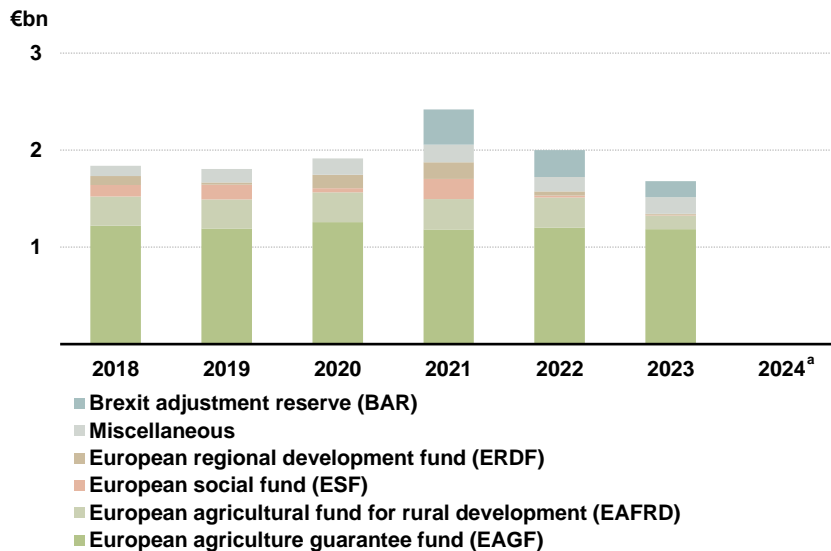
<sup>1</sup> In accordance with Regulation (EU) 2022/2463 of the European Parliament and of the Council.

<sup>2</sup> In accordance with Article 332 of the [Treaty on the Functioning of the EU](#), and based on Article 91(7) of Council Regulation (EU) 2017/1939.

### *Ireland's receipts from the EU budget*

**1.54** Ireland received €1.68 billion from the EU in 2023 (see Figure 1.13).

**Figure 1.13 Sources of Ireland's receipts from the EU budget, 2018 – 2024**



Source: Department of Finance

Note: a Figures for the 2024 receipts were not available at the time of publication.

### *Recovery and Resilience Facility*

**1.55** The EU's Recovery and Resilience Facility (RRF) provides financial support to member states to accelerate economic recovery from the impact of the Covid-19 pandemic and to make member state economies more resilient.<sup>1</sup> The Department of Public Expenditure is responsible for its implementation in Ireland.

**1.56** In order to access RRF funding, member states were required to prepare a National Recovery and Resilience Plan (NRRP) setting out a programme of investments and reforms which must be completed by August 2026.

**1.57** Ireland's NRRP was approved in September 2021. The plan outlined measures to a total value of just under €1 billion. Ireland was allocated RRF grant funding totalling €914 million, with drawdown of the funding contingent on Ireland achieving specified milestones and targets.<sup>2</sup>

**1.58** The EU allocated a further €240 million in grant funding to Ireland for REPowerEU projects as part of the NRRP.<sup>3,4</sup> This increased the allocation for the NRRP to €1.15 billion.

**1.59** Payment of the RRF grant is in five instalments. In September 2023, the Department of Public Expenditure submitted its first RRF payment request to the EU for €324 million (28% of the available allocation). Ireland received the payment in July 2024.

**1.60** A further payment request for €116 million (10% of the available allocation) in respect of the RRF was submitted in December 2024 with payment received in June 2025. The third payment request for €240 million (21% of the available allocation) was submitted in August 2025.

1 The RRF was established by Regulation (EU) 2021/241 which came into force on 19 February 2021.

2 Ireland's Recovery and Resilience Plan 2021 can be found [here](#).

3 The European Commission is implementing its REPowerEU Plan (launched in May 2022) to phase out Russian fossil fuel imports.

4 The REPowerEU funding includes €150 million transferred from EU Brexit Adjustment Reserve (BAR) funding unused by Ireland.

## **Annex 1A Central Statistics Office government finance statistics**

The European Union's statistics authority, Eurostat, requires each member state to produce a range of finance statistics that comply with the harmonised definitions and standards within the European System of Accounts 2010.

The Central Statistics Office (CSO) is responsible for the official reporting of Ireland's general government finance statistics.

The CSO's general government finance outputs and general government statistics include the following key statements

- Table 1.1 — general government finances
- Table 1.2 — general government transactions: revenue, expenditure, financing and deficit
- Table 2.1 — general government: detailed classification of revenue and output
- Table 2.2 — general government: detailed classification of expenditure and consumption
- Table 3.1 — general government gross and net debt
- Table 3.2 — general government financial transactions
- Table 3.3 — general government: detailed breakdown of net worth
- Table 3.4 — general government net worth, gross and net debt.

The general government sector encompasses both central and local government, non-commercial State-owned bodies and extra-budgetary funds, the larger approved housing bodies and voluntary hospitals.

The full list of entities included is published on the CSO's website.

## Annex 1B Data tables

Figure 1B.1 Composition of Central Fund receipts and issues, 2019 – 2024<sup>a</sup>

	2019	2020	2021	2022	2023	2024
	€m	€m	€m	€m	€m	€m
<b>Receipts</b>						
<b>Current receipts</b>						
Tax revenue	59,314	57,165	68,410	83,130	88,117	108,025
Central Bank surplus income <sup>b</sup>	2,395	2,050	666	1,068	500	—
National Lottery receipts	251	270	290	258	241	238
Dividends from State bodies	262	133	152	199	419	290
NAMA surplus income	—	2,000	1,000	500	350	400
Other current revenues	440	197	422	413	701	637
<b>Capital receipts</b>						
Loans advanced/repaid <sup>c</sup>	1,055	1,680	10,382	3,474	880	1,187
Financial sector stabilisation measures	682	3	—	—	—	—
Transfer from reserves <sup>d</sup>	—	1,500	—	—	—	—
Receipts from EU	24	25	645	277	183	354
Other capital receipts	6	5	274	1,455	805	70
<b>Total receipts</b>	<b>64,429</b>	<b>65,028</b>	<b>82,240</b>	<b>90,774</b>	<b>92,197</b>	<b>111,201</b>
<b>Issues</b>						
Issues for voted expenditure	54,146	67,849	71,579	72,840	78,385	85,659
Service of national debt	5,220	4,676	3,745	3,841	3,309	3,138
Contribution to EU budget	2,432	2,569	3,507	3,557	3,684	3,369
Oireachtas Commission	126	132	133	137	152	165
Loans/advances <sup>c</sup>	935	1,523	10,264	3,050	1,018	1,500
Uisce Éireann (shares, capital contributions and loans) <sup>c</sup>	758	372	130	112	201	184
Transfer to reserves <sup>d</sup>	—	—	—	2,000	4,000	4,050
Other payments	165	224	255	251	269	381
<b>Total issues</b>	<b>63,782</b>	<b>77,345</b>	<b>89,612</b>	<b>85,788</b>	<b>91,019</b>	<b>98,446</b>
<b>Surplus/(deficit) for the year</b>	<b>647</b>	<b>(12,317)</b>	<b>(7,372)</b>	<b>4,985</b>	<b>1,178</b>	<b>12,755</b>

Source: Finance Accounts 2019 to 2024. Any apparent differences in totals are due to rounding.

- Notes:
- a Transactions of the Central Fund account and the Capital Services Redemption Account are consolidated. The latter account is maintained by the NTMA for servicing national debt and transactions of a normal banking nature.
  - b The amount received into the Central Fund each year principally consists of the surplus income for the previous financial year, as per the audited financial statements of the Central Bank of Ireland. As the bank reported a nil profit/loss for 2023, a nil amount was transferred to the Exchequer in 2024.
  - c See Figure 1B.3 for further details.
  - d On 8 November 2024, the National Surplus (Exceptional Contingencies) Reserve Fund was replaced by the Future Ireland Fund and the Infrastructure, Climate and Nature Fund. See *Report on the Accounts of the Public Services 2024*, chapter 25, Accounts of the NTMA 2024.

**Figure 1B.2 Movements in Exchequer cash and financial asset balances, 2019 – 2024**

Movement in year	2019	2020	2021	2022	2023	2024
	€m	€m	€m	€m	€m	€m
<b>Balance at 1 January</b>	<b>17,593</b>	<b>18,536</b>	<b>19,200</b>	<b>29,149</b>	<b>26,351</b>	<b>28,911</b>
Net Exchequer borrowing/(repayment) in year	297	12,981	17,321	(7,783)	1,382	(2,100)
Exchequer surplus/(deficit)	647	(12,317)	(7,372)	4,985	1,178	12,756
<b>Balance at 31 December</b>	<b>18,536</b>	<b>19,200</b>	<b>29,149</b>	<b>26,351</b>	<b>28,911</b>	<b>39,567</b>
<b>Composition of cash and financial assets at 31 December</b>						
Central Fund cash balance	16,502	17,362	27,474	23,306	19,003	19,318 <sup>a</sup>
Cash deposits	—	—	—	—	1,000 <sup>b</sup>	—
Treasury bills	—	—	—	25	4,768	14,949
Housing Finance Agency guaranteed notes	1,913	1,586	1,665	3,010	4,130	5,300
SBCI medium-term guaranteed notes <sup>c</sup>	25	—	10	10	10	—
Collateral funding	96	252	—	—	—	—
<b>Balance at 31 December</b>	<b>18,536</b>	<b>19,200</b>	<b>29,149</b>	<b>26,351</b>	<b>28,911</b>	<b>39,567</b>

Source: Finance Accounts 2019 to 2024. Any apparent differences in totals are due to rounding.

- Notes:
- a Includes a balance of €155,000 held in the Capital Services Redemption Account (2023: €150,000).
  - b Exchequer short-term cash advances to European debt offices. To support liquidity management, debt offices in Europe borrow and lend cash to each other on a short-term bilateral basis.
  - c Strategic Banking Corporation of Ireland (SBCI) was established under the Strategic Banking Corporation of Ireland Act 2014. Its aim is to ensure access to flexible funding for Irish small and medium enterprises by facilitating the provision of lower-cost funding and flexible products. The issued share capital of the SBCI is owned by the Minister for Finance.

**Figure 1B.3 Loans and advances, 2019 – 2024**

	2019	2020	2021	2022	2023	2024
	€m	€m	€m	€m	€m	€m
<b>European Agricultural Guarantee Fund</b>						
Opening balance	725	750	670	655	670	670
Repayments	(725)	(750)	(670)	(655)	(670)	(670)
Advances	750	670	655	670	670	660
<b>Closing balance</b>	<b>750</b>	<b>670</b>	<b>655</b>	<b>670</b>	<b>670</b>	<b>660</b>
<b>Social Insurance Fund</b>						
Opening balances	—	—	—	—	—	—
Repayments	—	(600)	(9,370)	(2,380)	—	—
Advances	—	600	9,370	2,380	—	—
<b>Closing balance</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>EU stability to support Greece</b>						
Opening balance	347	347	344	323	310	249
Repayments	—	(3)	(22)	(13)	(61)	(52)
<b>Closing balance</b>	<b>347</b>	<b>344</b>	<b>323</b>	<b>310</b>	<b>249</b>	<b>197</b>
<b>Insurance Compensation Fund</b>						
Opening balance	636	556	414	345	160	40
Adjustment <sup>a</sup>	—	—	—	—	—	244
Repayments	(80)	(142)	(69)	(185)	(120)	(118)
<b>Closing balance</b>	<b>556</b>	<b>414</b>	<b>345</b>	<b>160</b>	<b>40</b>	<b>166</b>
<b>Uisce Éireann</b>						
Opening balance	—	—	372	502	613	814
Loans	—	372	130	112	201	184
<b>Closing balance</b>	<b>—</b>	<b>372</b>	<b>502</b>	<b>614</b>	<b>814</b>	<b>998</b>
<b>Other loans and advances</b>						
Opening balance	293	228	296	284	43	360
Repayments/loans conversion	(250)	(185)	(253)	(241)	(30) <sup>b</sup>	(348)
Loans issued	185	253	241	—	348 <sup>c</sup>	840 <sup>d</sup>
<b>Closing balance</b>	<b>228</b>	<b>296</b>	<b>284</b>	<b>43</b>	<b>360</b>	<b>852</b>
<b>Total closing balance</b>	<b>1,881</b>	<b>2,096</b>	<b>2,109</b>	<b>1,797</b>	<b>2,134</b>	<b>2,873</b>

Source: Finance Accounts 2019 to 2024. Any apparent differences in totals are due to rounding.

- Notes:
- The balance reported prior to 2024 did not include accrued interest receivable which is capitalised. The accumulated capitalised interest (€244 million) up to 31 December 2024 is now comprehended in the closing balance.
  - Advances to An Post repaid.
  - Advances to PMG Supply Account under the Appropriation Act 2022.
  - Advances to PMG Supply Account under the Appropriation Act 2024.

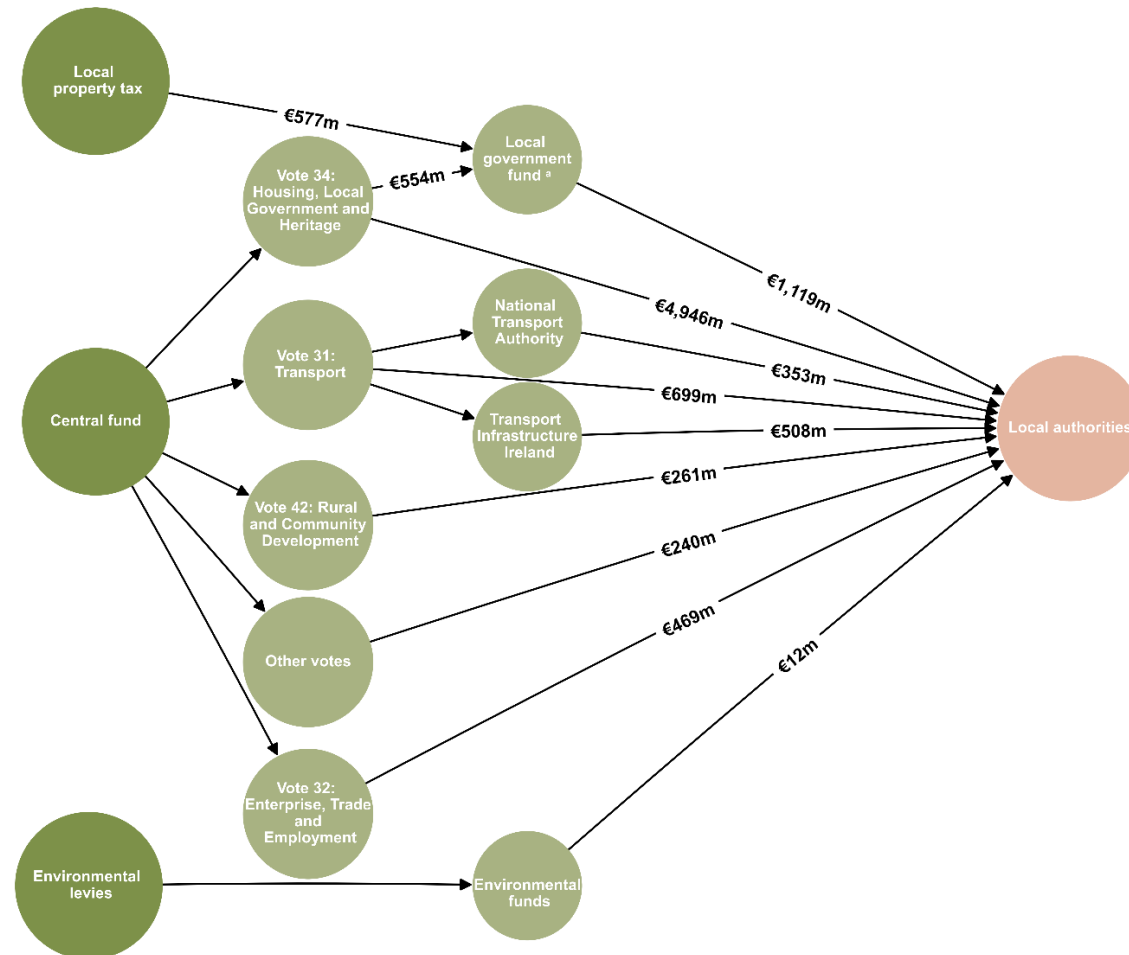
## 2 Central government funding of local authorities

Local authorities receive a considerable amount of their annual funding from various central government departments and agencies (see Figure 2.1).

This examination was undertaken to provide an overview of the funds flowing from and through central government sources to local authorities, and of the purposes for which those funds have been provided. It involved the review of information provided by 14 departments and offices on their funding of local authorities; and other relevant documentation. The examination team also undertook onsite walkthroughs of the funding processes in the Department of Housing, Local Government and Heritage, the Department of Transport and the Department of Rural and Community Development.

The report reflects the names of votes and departments as they applied in 2024.

**Figure 2.1 Flow of central government funding to local authorities in 2024**



Source: Annex 2A. Analysis by the Office of the Comptroller and Auditor General.

Note: a The flow of funding to and from the Local Government Fund may not be equal in a given year.

## Section 1 Central government transfers and application of central government funding

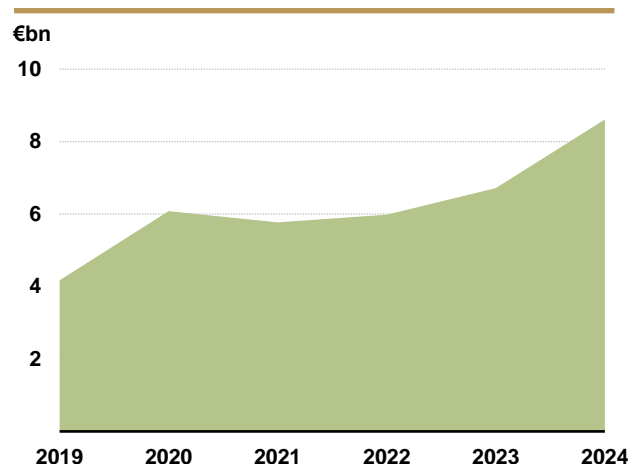
In 2024, funding from central government to local authorities totalled around €8.6 billion. This was a net increase of almost €1.9 billion (28%) on 2023. Central government funding to local authorities has more than doubled since 2019 (see Figure 2.2).

The primary sources of central government funding are the Department of Housing, Local Government and Heritage — through Vote 34 and the Local Government Fund — and the Department of Transport.

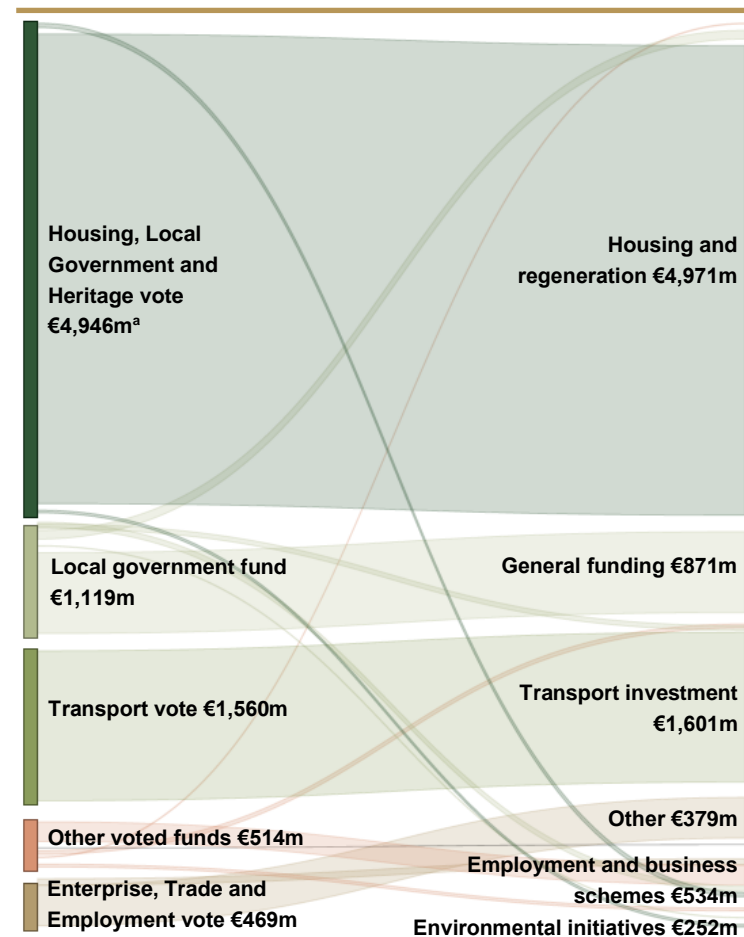
The main purposes for which the funding was provided in 2024 were for the delivery of social and affordable housing, together with a broad range of other housing supports; transport investment; a contribution towards local authority general activities (budget support); business supports; and support for environmental initiatives (see Figure 2.3).

In 2024, funding for housing and regeneration increased by around €1.3 billion (+34%).

**Figure 2.2 Central government funding, 2019 – 2024**



**Figure 2.3 Grouped analysis of central government funding by programme category, 2024**



Source: Annex 2A

Note: a This excludes receipts of €59 million from local authorities for additional superannuation contributions and audit fees.

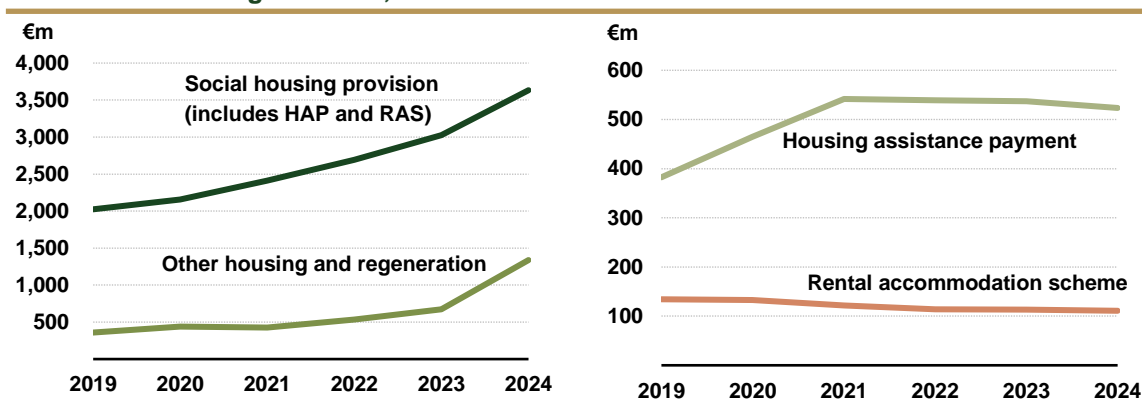
## Section 2 Housing and regeneration

The Department of Housing, Local Government and Heritage provides most of the funding for local authority expenditure on housing and regeneration — around 96% in 2024 (2023: 98%). The local authorities use the funding to provide social housing stock (managed by local authorities and approved housing bodies) and other housing supports. These supports include the housing assistance payment (HAP), rental accommodation scheme (RAS), and accommodation for homeless people.

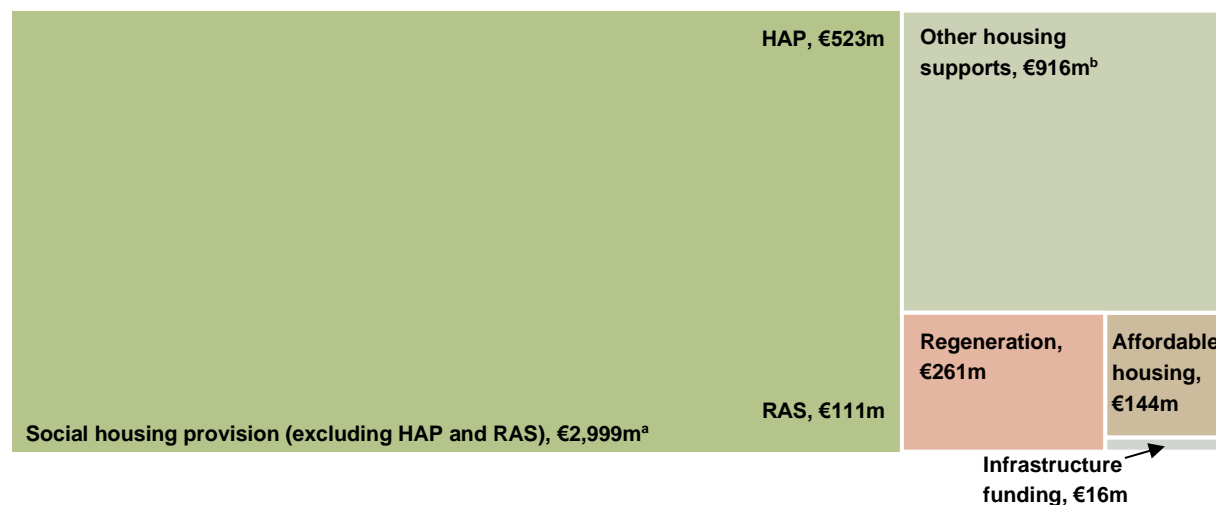
The funding is also used for improvements to existing local authority housing units and adaptation grants for older people and for people with a disability. Around €137 million of the funding provided by the Department to local authorities was under the Urban Regeneration and Development Fund (URDF). The URDF supports the delivery of more compact and sustainable development across Ireland’s cities and large towns. Housing infrastructure funding of €16 million was provided in 2024, of which €12 million related to the Local Infrastructure Housing Activation Fund.

The Department of Rural and Community Development also provides funding to local authorities for rural regeneration — €70 million in 2024 (2023: €62 million). This funding is used to support schemes targeting building vacancy, infrastructure to develop town-centre housing, and the development of community or public facilities that enhance heritage and other community assets.

**Figure 2.4 Central government funding to local authorities for investment in housing and regeneration, 2019 – 2024**



**Figure 2.5 Breakdown of funding for housing and regeneration purposes, 2024**



Source: Annex 2A

- Notes:
- a Includes funding of almost €151 million from the local property tax allocation that local authorities above the baseline are required to spend on housing in lieu of Exchequer funding.
  - b Includes funding totalling around €407,000 from the Department of Justice and the Department of Further and Higher Education, Research, Innovation and Science.

### Section 3 Transport investment

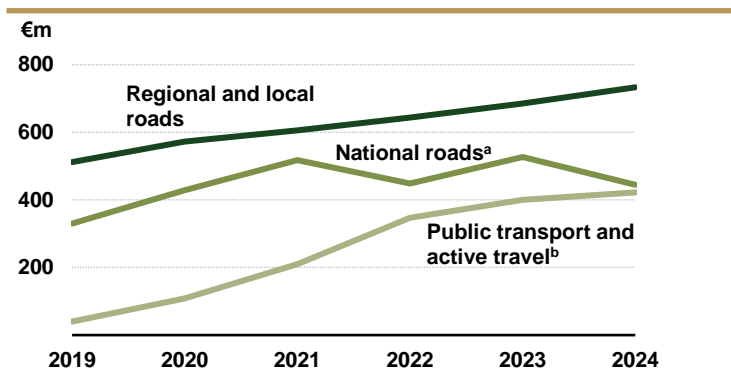
The Department of Transport and the Department of Rural and Community Development provide funding to local authorities for roads and public transport investment (see Figure 2.6 and Figure 2.7).

The Department of Transport provides funding primarily for regional and local roads directly to local authorities (€692 million in 2024). Funding for national roads and greenways is provided through Transport Infrastructure Ireland (€445 million and €63 million respectively in 2024). Funding for public transport and active travel is provided through the National Transport Authority (€28.9 million and €324 million respectively in 2024).

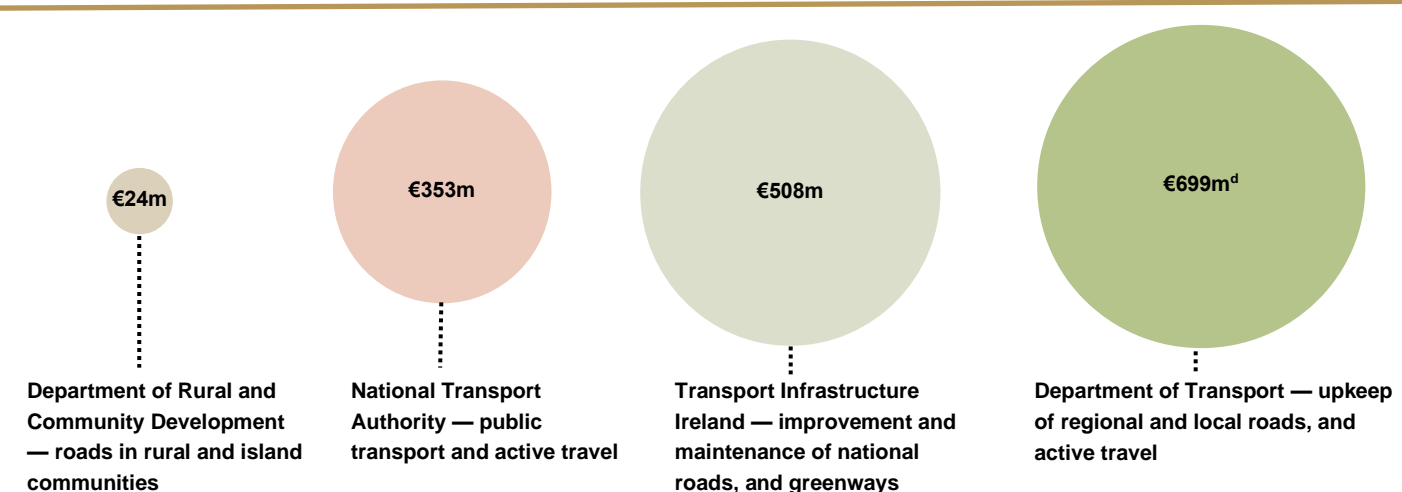
The Department of Rural and Community Development provided funding of €24 million to local authorities for private and non-publicly maintained local roads.

Some local authorities also support their expenditure on regional and local roads from local property tax allocations (€16.5 million in 2024).

**Figure 2.6 Central government funding to local authorities for transport investment, 2019 – 2024**



**Figure 2.7 Transport investment by organisation and role, 2024<sup>c</sup>**



Source: Department of Transport and Department of Rural and Community Development

- Notes:
- a Includes electric car infrastructure funding.
  - b Includes funding for greenways.
  - c This figure does not include the funding of €16.5 million from local property tax allocations for expenditure on regional and local roads.
  - d This includes funding of around €6 million for active travel.

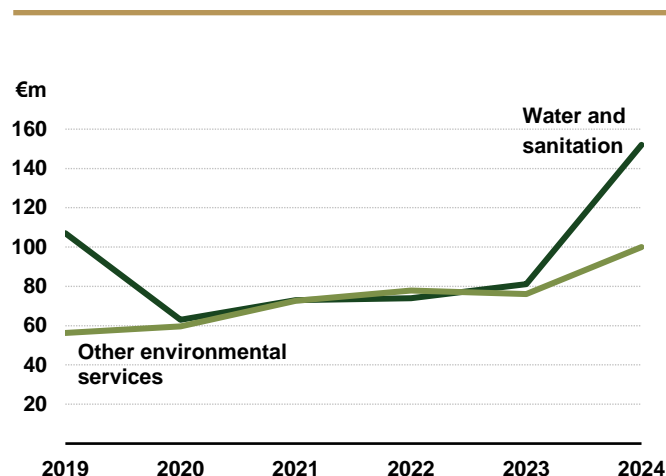
## Section 4 Environmental initiatives

Funding is provided to local authorities for a range of environmental services. These services include water and sanitation projects, waste management, and flood relief.

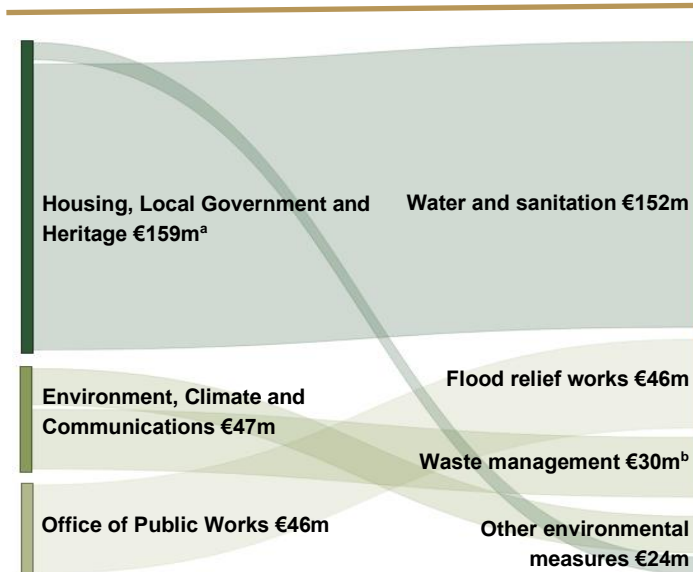
The Department of Housing, Heritage and Local Government provided local authorities with funding of €62 million for water transformation costs in 2024. This funding was provided through the Local Government Fund. The funding is for services still provided by local authorities related to the provision of water services (i.e. 'stranded' water services). These services are mainly corporate overheads (e.g. IT, human resources, etc.) that the local authorities pay for but relate to Uisce Éireann activity.

The Office of Public Works provided local authorities with funding of around €46 million for flood relief works in 2024 (2023: €31 million).

**Figure 2.8 Central government funding to local authorities for environmental initiatives, 2019 – 2024**



**Figure 2.9 Environmental initiatives — sources and purposes of funding, 2024**



Source: Annex 2A

Notes: a Includes funding of €62 million from the Local Government Fund.

b Includes funding of €22,000 from the Department of Agriculture, Food and the Marine.

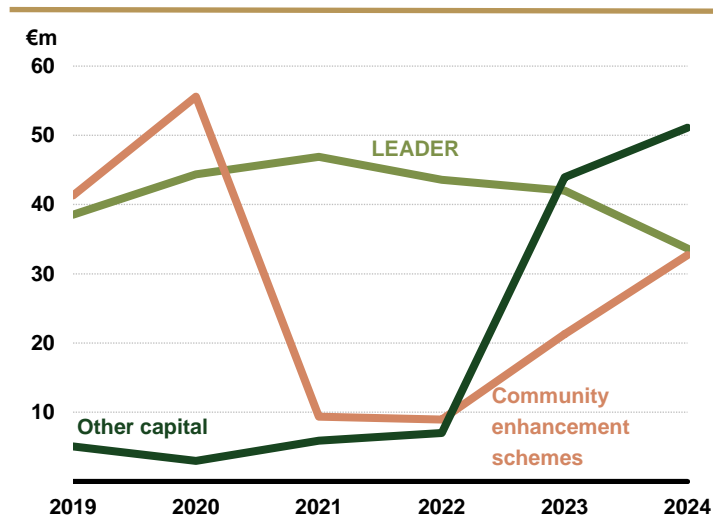
## Section 5 Miscellaneous capital programmes

The Department of Rural and Community Development provided funding of almost €33.7 million (2023: €42 million) to local authorities for the LEADER programme. It also provided funding of around €32.7 million for community recognition and enhancement schemes.

The Department of Housing, Heritage and Local Government provided funding of €26.5 million to Louth County Council in 2024 for the Narrow Water Bridge project.

The Department of Agriculture, Food and the Marine provided capital funding of around €12 million in 2024 (2023: €37 million) for harbour development projects.

**Figure 2.10 Central government funding to local authorities for miscellaneous capital programmes, 2019 – 2024<sup>a</sup>**



**Figure 2.11 Miscellaneous capital programmes — sources and purposes of funding, 2024<sup>b</sup>**



Source: Annex 2A

Notes: a This reflects the gross funding. Reimbursements from local authorities of €600,000 are not included.

b Some amounts may not tot due to rounding.

## Section 6 Employment and business schemes

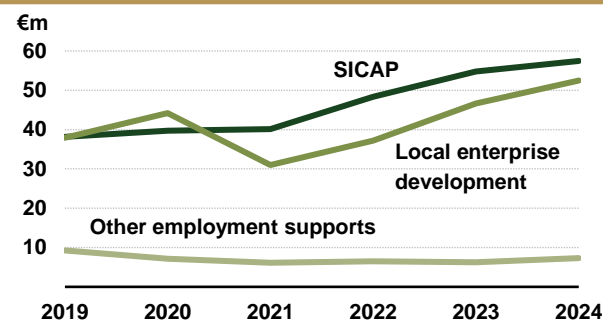
The Department of Rural and Community Development provided around €57.5 million (2023: €55 million) to local authorities for the Social Inclusion and Community Activation Programme (SICAP) (see Figure 2.12). Around €11 million (2023: €9.7 million) of the funding was provided for supports to people displaced by the Russian invasion of Ukraine.

In 2024, the Department of Enterprise, Trade and Employment, through Enterprise Ireland, provided around €52.5 million (2023: €47 million) to local authorities for the local enterprise programme delivered by local enterprise offices (LEOs).

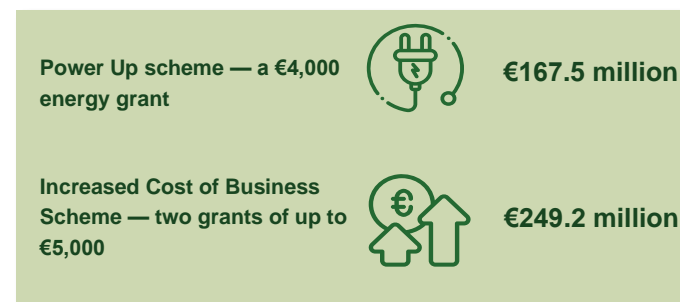
In 2024, the Department of Enterprise, Trade and Employment also introduced two temporary support initiatives for small businesses — the Increased Cost of Business Scheme (ICOB) and the Power Up grant. The first phase of ICOB was open to all sectors, while the second phase of ICOB, and the Power Up grant, targeted the hospitality, retail and beauty sectors. The schemes were administered by the local authorities on behalf of the Department (see Figure 2.13).

The Department prefunded the local authorities based on the number of potentially eligible businesses in each local authority area. If funding was unused the local authority returned the unused portion to the Department.

**Figure 2.12 Central government funding to local authorities for employment schemes, 2019 – 2024**



**Figure 2.13 Business supports administered by local authorities, 2024<sup>a</sup>**



Source: Annex 2A and the Department Enterprise, Trade and Employment

Note: <sup>a</sup> This does not include funding of €771,000 provided to the Local Government Management Agency for software costs.

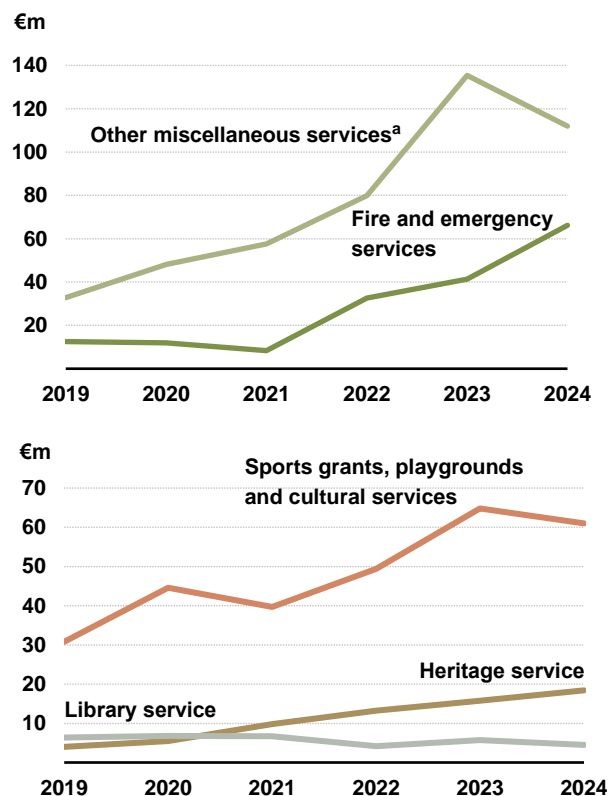
## Section 7 Other services

Central government funding also included €44 million (2023: €51 million) for accommodation for persons displaced by the Russian invasion of Ukraine.

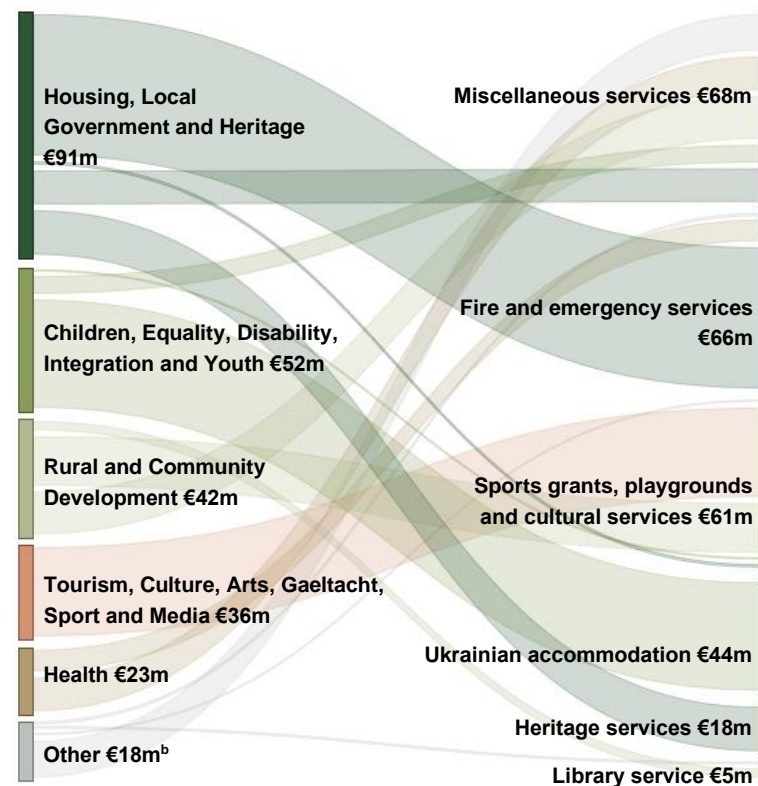
Total funding of €66 million was provided to support the fire and emergency services (2023: €41 million). €56.5 million of this funding was provided from the Housing vote. The HSE provided €9.2 million to support the Dublin Fire Brigade Ambulance Service.

The Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media provided €17.3 million (2023: €16.2 million) to local authorities through Sport Ireland.

**Figure 2.14 Central government funding to local authorities for other services, 2019 – 2024**



**Figure 2.15 Other services — sources and purposes of funding, 2024**



Source: Annex 2A

- Notes:
- a This is further broken down in Figure 2.15 between miscellaneous services and Ukrainian accommodation.
  - b Includes: Environment, Climate and Communications (€8 million); Defence (€4.3 million); Justice (€1.8 million); Further and Higher Education, Research, Innovation and Science (€1.2 million); Social Protection (€0.9 million); Agriculture, Food and the Marine (€0.7 million). Some amounts may not total due to rounding.

## Section 8 Local Government Fund

The Local Government Fund (LGF) is a statutory fund managed by the Department of Housing, Local Government and Heritage (the Department). The receipts into the LGF derive from the Exchequer (via the Vote) and from Local Property Tax (LPT) receipts. The latter is collected by the Revenue Commissioners.

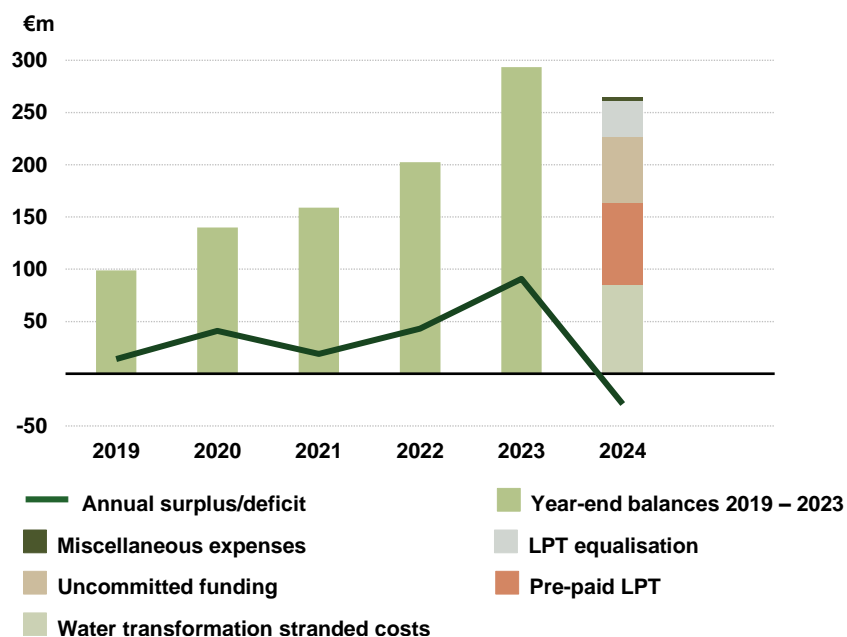
The LGF funding from the Exchequer is intended to assist local authorities with pay and pensions and for miscellaneous schemes.

Each year, the Department estimates the total expected LPT yield in each local authority for the following liability year. It also estimates a required 'equalisation contribution' from the Exchequer. These projections, based on Revenue data, are used to derive the LPT allocation that local authorities will receive in that year. See Annex 2B for the calculation of the LPT 2024 allocation.

The LPT collected in a particular year may not match the allocations for that year. This is because property owners may pay their LPT in the year prior to liability, or as a late payment in a subsequent year. For example, €79 million of LPT receipts were received in 2024 for the 2025 liability year.

After recording a deficit of around €29 million in 2024, the LGF reserves decreased to around €264 million by year-end. Overall, the reserves have increased by approximately 167% since 2019 (see Figure 2.16). The Department has stated that several factors contributed to annual surpluses up to 2024. These included funding for committed future expenditure, prepayments of LPT and unspent Exchequer equalisation funding due to greater than anticipated LPT receipts, including LPT arrears. The Department also stated that since 2021, €184 million has been collected in LPT arrears, already taken into account as part of the LPT allocations in previous years. It stated that LPT allocations are based on the estimated collection for the liability year rather than the cash received; and that it is not possible to estimate the arrears collection in advance.

**Figure 2.16 Year-end reserves and annual surplus/deficit of the Local Government Fund, 2019 – 2024**



Source: Department of Housing, Local Government and Heritage, Local Government Fund accounts

The deficit in 2024, mainly due to expenditure on water transformation stranded costs, reflects the Department's efforts to reduce the overall level of LGF reserves.

At the end of 2024, €231 million of the year-end reserves were ring-fenced/allocated for specific purposes. This included — €85 million for water transformation stranded costs, almost €79 million of prepaid LPT, receipts of almost €34 million for LPT equalisation funding, and €3.5 million towards miscellaneous expenses. The fund's reserves policy, introduced in July 2024, also provides for the retention of €30 million of uncommitted funding at year-end for contingencies. At year-end, uncommitted funding in the reserves totalled over €63 million.

**Annex 2A Central government transfers to local authorities by expenditure programme, 2019 – 2024<sup>a</sup>**

Expenditure category	2019 €m	2020 €m	2021 €m	2022 €m	2023 €m	2024 €m
<b>Housing and regeneration</b>						
Social housing provision	2,024	2,156	2,413	2,693	3,025	3,633
Affordable housing, etc.	—	—	4	9	20	144
Infrastructure funding	22	32	16	17	20	16
Other housing supports	258	340	324	420	536	916
Regeneration	79	67	82	90	99	261
	<b>2,383</b>	<b>2,595</b>	<b>2,839</b>	<b>3,229</b>	<b>3,699</b>	<b>4,971</b>
<b>Transport investment</b>						
National roads improvement	330	429	517	449	526	445
Regional and local roads improvement	512	573	606	644	685	733
Public transport and active travel	40	109	209	348	400	423
	<b>882</b>	<b>1,111</b>	<b>1,332</b>	<b>1,441</b>	<b>1,611</b>	<b>1,601</b>
<b>Environmental initiatives</b>						
Water and sanitary services	107	63	73	74	81	152
Flood relief works	28	31	26	28	31	46
Waste management	23	26	39	37	25	30
Other environmental measures	6	3	8	13	20	24
	<b>164</b>	<b>123</b>	<b>146</b>	<b>152</b>	<b>157</b>	<b>252</b>
<b>Miscellaneous capital programme</b>						
	<b>85</b>	<b>103</b>	<b>62</b>	<b>60<sup>b</sup></b>	<b>107</b>	<b>117</b>

**Annex 2A Central government transfers to local authorities by expenditure programme, 2019 – 2024 (continued)**

	2019 €m	2020 €m	2021 €m	2022 €m	2023 €m	2024 €m
<b>Employment and business schemes</b>						
Employment schemes	86	91	77	92	108	117
Increased cost of business scheme	—	—	—	—	—	249
Power Up scheme	—	—	—	—	—	168
	<b>86</b>	<b>91</b>	<b>77</b>	<b>92</b>	<b>108</b>	<b>534</b>
<b>Other services</b>						
Fire and emergency services	13	12	8	33 <sup>c</sup>	41 <sup>c</sup>	66 <sup>c</sup>
Library service	6	7	7	4	6	5
Sports grants, playgrounds and cultural projects	30	45	40	49	64	61
Heritage services	4	5	10	13	16	18
Other miscellaneous services	34	48	58	80	135	112
	<b>87</b>	<b>117</b>	<b>123</b>	<b>179</b>	<b>263</b>	<b>262</b>
<b>Covid-19 supports</b>						
Covid-19 related funding for waived rates	—	730	423	123	—	—
Covid-19 related funding for businesses	—	687	78	14	—	—
Other Covid-19 assistance	—	—	136	60	4	—
	<b>—</b>	<b>1,417</b>	<b>637</b>	<b>197</b>	<b>4</b>	<b>—</b>
LPT allocations — non-programme specific/discretionary	394	410	422	423	426	504
Remuneration-related payments paid from the LGF	86	109	130	210	354	368
	<b>4,167</b>	<b>6,076</b>	<b>5,768</b>	<b>5,984</b>	<b>6,729</b>	<b>8,608</b>

Sources: Department of Defence; Department of Enterprise, Trade and Employment; Department of Agriculture, Food and the Marine; Department of Children, Equality, Disability, Integration and Youth; Department of Environment, Climate and Communications; Department of Further and Higher Education, Research, Innovation and Science; Department of Health; Department of Housing, Local Government and Heritage; Department of Justice; Local Government Fund account; Office of Public Works; Department of Rural and Community Development; Department of Social Protection; Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media; Department of Transport.

Notes: a Some figures may not tot due to rounding.

b This amount has been revised downwards by around €52 million due to an error in the amounts previously provided by the Department of Agriculture, Food and the Marine which only came to light during the 2023 examination.

c Includes funding of around €9 million from the Department of Health, paid via the HSE, for the Dublin Fire Brigade Ambulance Service. This funding was not included in prior years due to an oversight by the Department.

## Annex 2B Allocation of Local Property Tax

Local Property Tax (LPT) funding received by each local authority, and the amount that can be used for local authorities' own purposes (i.e. discretionary funding) is set out in an annual allocation schedule published on the Department's website.

Every local authority is entitled to receive a minimum amount of funding known as baseline funding. For local authorities that do not have a strong enough property base to meet this baseline funding, their allocation is supplemented by a process called equalisation. In 2024, 21 local authorities had their allocations supplemented in this way.

Following a change in the allocation process from 2023, local authorities can retain all their LPT projected yield, with all equalisation funding now coming directly from the Exchequer (€110 million in 2024) or from the LGF reserves (€39 million in 2024).

Local authorities are permitted to vary the rate at which local property owners pay the LPT. When local authorities vary upwards, they retain the increased revenues, while a downwards revision leads to a reduced allocation. In total, LPT allocations decreased by €7 million in 2024 due to local variations.

Local authorities above the baseline are required to use some of their allocation for housing and transport expenditure that would otherwise be funded by the Exchequer. This totalled €167 million in 2024 (2023: €184 million).

			2024	2023
	Authorities above the baseline	Authorities below the baseline	All	All
<b>Number of local authorities</b>	<b>10</b>	<b>21</b>	<b>31</b>	<b>31</b>
	<b>€m</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>
Total LPT projected yield	365	164	529	499
Equalisation funding				
— Exchequer direct contribution	—	110	110	110
— LGF reserves	—	39	39	8
<b>Pre-variation LPT allocations</b>	<b>365</b>	<b>313</b>	<b>678</b>	<b>617</b>
Adjustment for local variations in tax rate	(24)	17	(7)	(7)
	<b>342</b>	<b>329</b>	<b>671</b>	<b>610</b>
<b>Of which</b>				
<b>— for authority's own general use<sup>b</sup></b>	<b>174</b>	<b>329</b>	<b>504</b>	<b>426</b>
<b>— self-funding of housing and roads</b>	<b>167</b>	<b>—</b>	<b>167</b>	<b>184</b>

Source: Department of Housing, Local Government and Heritage

Notes: a Some figures may not tot due to rounding.

b Following a baseline review, the 2024 LPT allocation for authorities' own use increased substantially, whereby each authority received a baseline increase of at least €1.5m.

## 3 Central government accounting standards

- 3.1** In October 2019, the Government agreed to the transition of central government departments and offices to a new accrual accounting framework.<sup>1</sup> This framework is based on the International Public Sector Accounting Standards (IPSAS).<sup>2</sup>
- 3.2** The Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (the Department of Public Expenditure) is developing a range of Central Government Accounting Standards (CGAS). The CGAS, which apply to all government departments and offices, are being implemented on a phased basis.<sup>3</sup> The implementation of the CGAS will formalise accrual accounting financial reporting alongside the existing cash accounting framework.
- 3.3** The first nine (priority) CGAS are effective for the 2024 year of account and subsequent periods. These standards primarily relate to the statement of financial position.<sup>4</sup>
- 3.4** Departments and offices unable to fully comply with the CGAS for 2024 were required to seek approval from the Department of Public Expenditure for a temporary derogation. As part of the application for approval, departments and offices were required to submit a plan with a reasonable timeline for achieving compliance with the relevant standards. Where non-compliance continues into future accounting periods, approval for further temporary derogations will be required for each period.
- 3.5** This examination was undertaken to review progress made by departments and offices in complying with the relevant CGAS for 2024. The examination team reviewed relevant documentation and engaged with officials from the Department of Public Expenditure.
- 3.6** Twelve departments and offices and one departmental fund received temporary derogations from one or more of the CGAS for 2024 (see Figure 3.1).<sup>5</sup> The most significant area where derogations were sought and granted was in respect of property, plant and equipment (CGAS 17). Almost all votes with substantial real property did not implement CGAS 17 from 1 January 2024.
- 3.7** The Department of Public Expenditure stated that of the nine priority CGAS, compliance with CGAS 17, Property, plant and equipment would be the most difficult for a small number of departments and offices.
- Those with extensive property holdings which may not have been either valued or previously registered.
  - A transition period of at least five years would be needed to allow all departments to fully develop their systems, register and map property and complete valuations.<sup>6</sup>

<sup>1</sup> See 'Planned migration to accrual accounting' section, published in the *Report on the Accounts of the Public Services 2022*, chapter 6, [Financial management shared services: implementation progress](#).

<sup>2</sup> IPSAS are developed by the International Public Sector Accounting Standards Board, which is primarily funded by the International Federation of Accountants.

<sup>3</sup> The CGAS also apply to the Houses of the Oireachtas Commission, the National Training Fund and the Social Insurance Fund.

<sup>4</sup> [Circular 23/2023: Central Government Accounting Standards](#) issued to heads of departments on 18 December 2023.

<sup>5</sup> The derogations related to one or more elements of the relevant CGAS.

<sup>6</sup> [CGAM 17 Property, Plant and Equipment](#) requires that departments/offices should seek to transition within a five-year period. Departments/offices with complex and extensive holdings of land and buildings may receive sanction to increase the transition period to seven years.

1 [Circular 19/2024: Central Government Accounting Standards 2025](#) issued to heads of departments on 9 December 2024.

3.8 Five votes and one departmental fund have indicated full compliance by 2025. The remaining seven votes have indicated longer timeframes of two to five years. A further seven CGAS will be effective for the 2025 year of account and subsequent periods.<sup>1</sup>

**Figure 3.1 Temporary derogations for the CGAS, introduced in 2024<sup>a</sup>**

Standard	Vote in receipt of derogation <sup>b</sup>	Date of derogation <sup>c</sup>	Proposed implementation date <sup>d</sup>
12 Inventory	—	—	—
13 Leases	Vote 13 Office of Public Works	19 September 2025	2025
	Vote 34 Housing, Local Government and Heritage	20 August 2025	2025
17 Property, plant and equipment	Vote 13 Office of Public Works	17 April 2025	Within three years <sup>e</sup>
	Vote 21 Irish Prison Service	20 March 2025	2025
	Vote 22 Courts Service	26 March 2025	2025
	Vote 24 Justice	26 March 2025	2025
	Vote 26 Education	20 March 2025	2027
	Vote 29 Environment, Climate and Communications	11 March 2025	Within transition period <sup>f</sup>
	Vote 30 Agriculture, Food and the Marine	11 March 2025	2026
	Vote 34 Housing, Local Government and Heritage	25 March 2025	2029
	Vote 36 Defence	20 March 2025	2029
	Vote 40 Children, Equality, Disability, Integration and Youth	11 March 2025	2026
19 Provisions, contingent liabilities and contingent assets	Social Insurance Fund	12 June 2025	2025
	Vote 6 Office of the Chief State Solicitor	23 July 2025	2025
21 Impairment non-cash generating assets	Vote 24 Justice	26 March 2025	2025
	Vote 13 Office of Public Works	17 April 2025	2025
26 Impairment cash generating assets	Vote 13 Office of Public Works	17 April 2025	2025
31 Intangible assets	—	—	—
32 Service concession arrangements	Vote 29 Environment, Climate and Communications	11 March 2025	2028
39A Short term employee benefits	Vote 20 An Garda Síochána	1 April 2025	2025

Source: Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- [Circular 23/2023](#) (Central government accounting standards) requires accounting officers to state if sanction for a transitional derogation has been received in the statement of accounting policies and principles. They are also required to state that they have a plan to comply within a reasonable timeframe.
  - The derogation received may relate to one or more elements of the relevant standard.
  - This reflects the date of the derogation letters issued by the Department of Public Expenditure.
  - This is based on the detail included in the relevant derogation letter, appropriation account or correspondence with the Department of Public Expenditure.
  - The Office of Public Works has indicated, in its 2024 appropriation account, that full compliance with CGAS 17 is expected within three years.
  - The Department of Public Expenditure has indicated that the default position for implementation of CGAS 17 is within the transitional period of five years from the effective date. It expects that the implementation of CGAS 17 by Vote 29 will become clearer in due course.

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## **Voted Expenditure**

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## 4 Vote accounting and budget management

**4.1** Government departments and offices receive annual funding from the Exchequer to carry out their statutory functions. Expenditure is provided for under 'votes' approved by Dáil Éireann, which cover the functions of each department or office.<sup>1</sup> Final legal effect is given to the votes in the annual Appropriation Act.

**4.2** The head of each department or office is appointed as the 'accounting officer' for the relevant vote(s). The accounting officer has a statutory obligation to prepare an annual appropriation account for each relevant voted service. Each appropriation account shows how the outturn for the year compares with the amount provided by Dáil Éireann. These accounts are subject to audit by the Comptroller and Auditor General.

**4.3** The Appropriation Act 2024 provided for spending on voted services (appropriations) totalling €90 billion. This was to be funded by

- the issuing to the votes of €86.5 billion from the Central Fund of the Exchequer (called supply grants), and
- the use of certain expected vote receipts (called appropriations-in-aid) of €3.5 billion.

In addition, unused capital funding totalling €518.7 million was carried over from 2023 for spending in 2024. This brings the total available vote funding, for 2024, to €90.5 billion.<sup>2</sup>

**4.4** This examination was undertaken to

- describe the annual voted estimates cycle
- summarise the outturn for each of the 45 appropriation accounts for 2024
- analyse the actual outturn against original and supplementary budgets, and
- highlight issues arising with the management of voted funds.

**4.5** The examination team reviewed the estimates process, relevant legislation, the 2024 appropriation accounts for all votes and other relevant documents. The latter included the circular on the requirements for the 2024 appropriation accounts issued by the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (Department of Public Expenditure).<sup>3</sup>

<sup>1</sup> The functions of each department or office may be covered by one or more votes.

<sup>2</sup> In presenting estimates and reports on voted expenditure, the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation generally includes the Social Insurance Fund and the National Training Fund in total gross voted expenditure. These are not voted appropriations. However, the Department considers that their inclusion provides a more complete picture of overall Government expenditure.

<sup>3</sup> [Circular 20/2024: Requirements for Appropriation Accounts 2024](#).

## Annual voted expenditure cycle

- 4.6** The estimates of expenditure presented to Dáil Éireann for approval should reasonably represent the amount expected that will be spent on each departmental service. They also effectively serve as cash limits.
- 4.7** If, during the year, large funding adjustments are required after Dáil approval of the estimates, formal Dáil approval for these adjustments must be sought. This is done through the supplementary estimate process (see Figure 4.1). This process may also be used to move funds between programmes and subheads, if required. Details of supplementary estimates requested are discussed at the relevant Dáil sectoral committees before approval is sought from the Dáil itself. Typically, these discussions take place in the final quarter of the year.

## Evolution of vote estimates in 2024

- 4.8** The Revised Estimates for Public Services 2024, published in December 2023, provided for total net voted funding of almost €79.5 billion across 45 votes. This was subsequently revised on several occasions.
- 4.9** In 2024, ‘further revised estimates’ were presented for three voted services.<sup>1</sup> This resulted in an increase of €22 million in the net amount approved for spending.
- 4.10** Approved supplementary estimates provided a further €7 billion, resulting in an aggregate provision of €86.5 billion (net) for voted services in 2024.

1 Vote 16 Tailte Éireann; Vote 29 Environment, Climate and Communications; and Vote 34 Housing, Local Government and Heritage. Votes can have a ‘further revised estimate’ published where changes to their budgets are agreed in the period between the revised estimates and Dáil approval.

2 The deficit referred to is that of Vote 14 State Laboratory, see paragraphs 4.17 – 4.22.

3 The reasons were to be submitted in writing, to the Government Accounting Unit, to assist policy development on the timeliness of accounts.

4 The accounting officer is required to sign and date the appropriation account and a separate introduction/statement on internal financial control prior to submission. Changes to an account arising from the audit process can result in the appropriation account and/or the statement being re-signed.

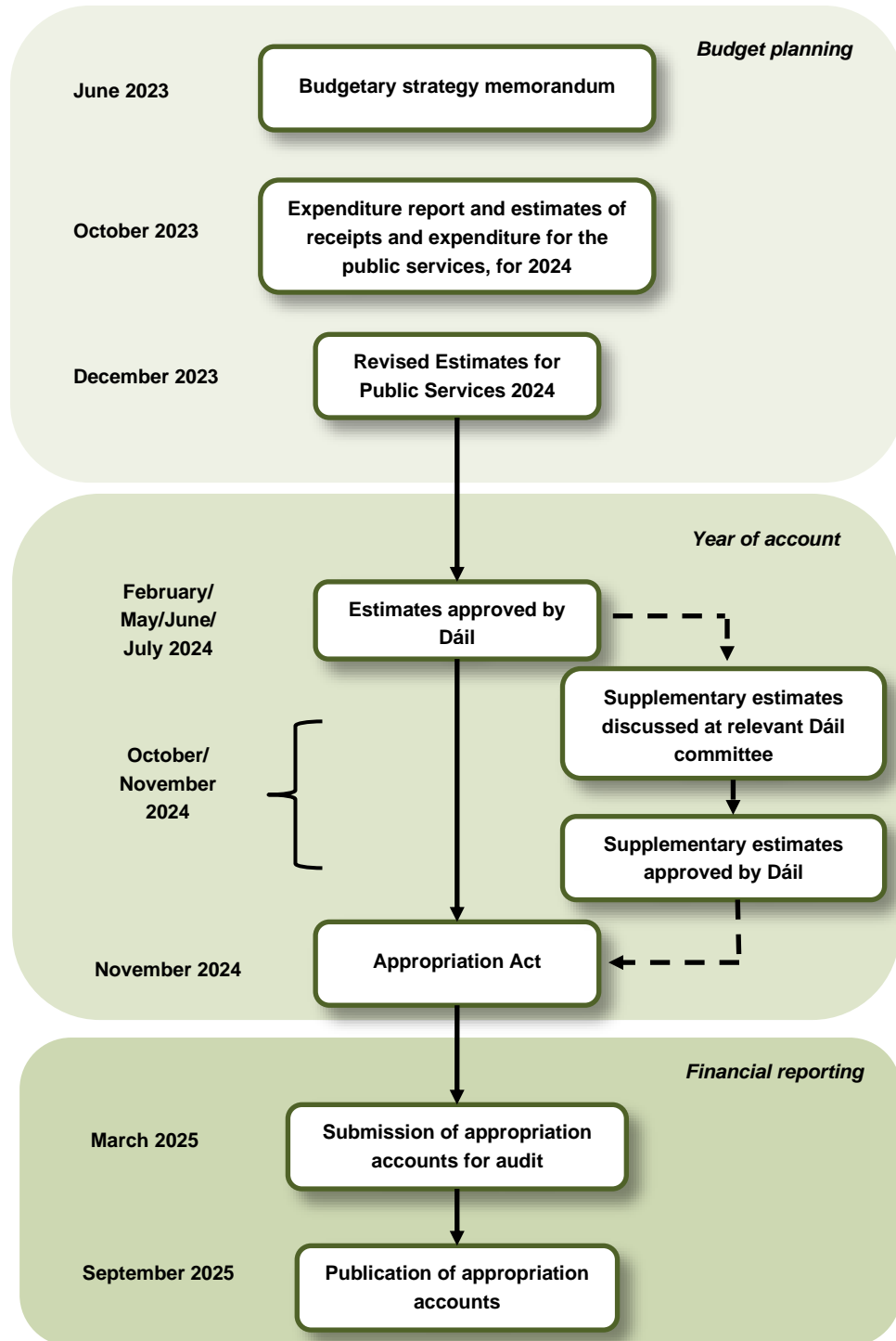
## 2024 appropriations

- 4.11** A summary of the amounts appropriated in 2024 for voted public services is included in Annex 4A (Figure 4A.1). The outturn for the year is also shown, together with the surpluses/deficit of appropriations over expenditure.<sup>2</sup>

## Voluntary early submission of accounts

- 4.12** The statutory deadline for submission of appropriation accounts to the Comptroller and Auditor General for audit is 31 March in the year following the year of account. To facilitate earlier completion of the vote accounting process, the Department of Public Expenditure asked vote holders with voted appropriations of less than €100 million in 2024 to submit their appropriation accounts, on a voluntary basis, by 11 March 2025.
- 4.13** Seventeen of the 22 departments and offices with appropriations of less than €100 million submitted their accounts by 11 March 2025. The five organisations that did not submit their accounts early were required to explain the reasons to the Department of Public Expenditure.<sup>3</sup>
- 4.14** All the remaining vote appropriation accounts for 2024 were submitted for audit by the statutory submission date of 31 March 2025.<sup>4</sup>

Figure 4.1 Sequence and timing of the 2024 estimates process<sup>a</sup>



Source: Office of the Comptroller and Auditor General

Note: a Further details on the estimates and appropriation account process are set out in the *Public Financial Procedures*, published by the Department of Public Expenditure.

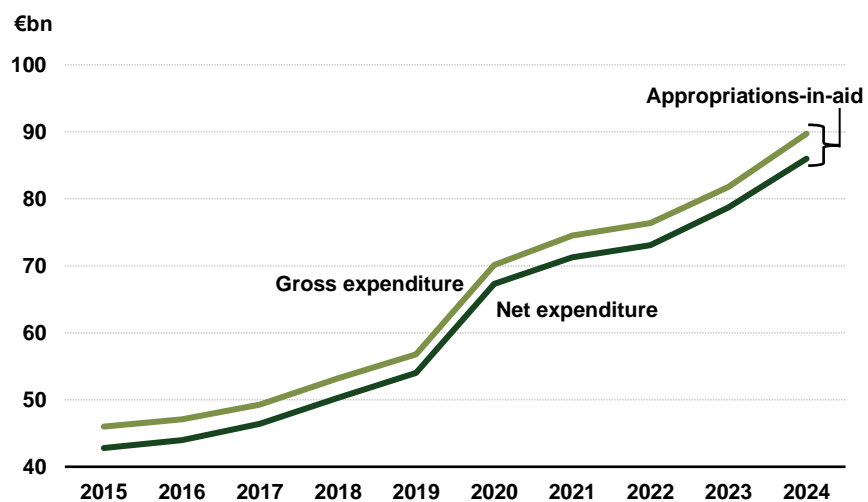
## Results of 2024 audits of appropriation accounts

- 4.15** Audits of the 2024 appropriation accounts for all votes have been completed. Each account, together with the related audit report, is being presented to Dáil Éireann with this report.

### Vote outturn

- 4.16** The total amount spent by departments and offices in 2024 was €89.7 billion (see Figure 4.2). After deduction of realised appropriations-in-aid totalling €3.7 billion, the net expenditure in the year was €86 billion.

**Figure 4.2 Voted expenditure outturn, 2015 – 2024**



Source: Appropriation Accounts, 2015 to 2024. Analysis by the Office of the Comptroller and Auditor General.

### Excess vote — Vote 14 State Laboratory

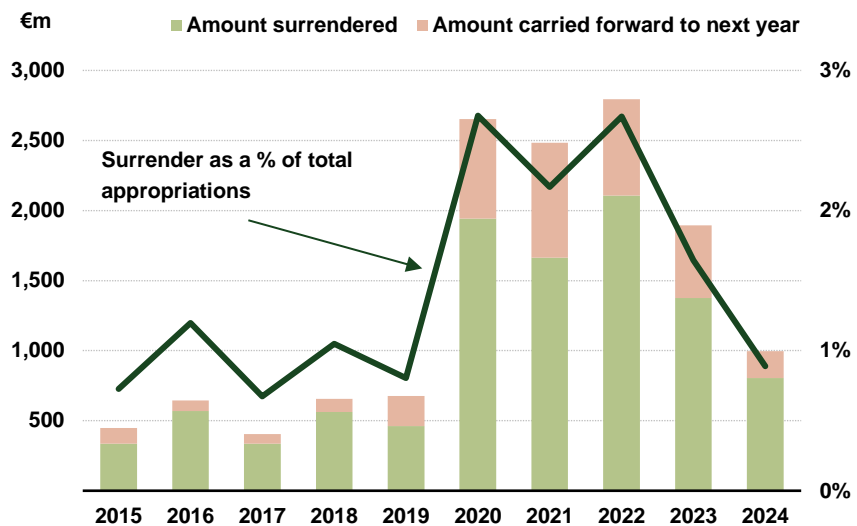
- 4.17** The Appropriation Act sets a limit on the expenditure of each vote and on the amount of appropriations-in-aid that can be used by the vote. An excess vote arises where
- the total of the expenditure subheads is exceeded, and/or
  - a shortfall in appropriations-in-aid is not matched by savings in expenditure.
- 4.18** The amounts appropriated by Dáil Éireann for Vote 14 State Laboratory were total expenditure of €14,921,000 and appropriations-in-aid of €1,446,000. Actual expenditure incurred by the Vote was €14,750,702, a saving of €170,298. Actual appropriations-in-aid received totalled €1,266,022, a shortfall of €179,978. Because the expenditure saving was insufficient to offset the shortfall in receipts, the result was a net deficit (excess vote) of €9,680.

- 4.19** The Accounting Officer explained that the excess vote arose because certain charges for services provided to various county councils and the Department of Justice, Home Affairs and Migration that the State Laboratory expected to receive in December 2024 were not received until January 2025. The Accounting Officer stated that the State Laboratory's internal control checks and year-end procedure were focused on ensuring that the expenditure did not exceed the supply grant. There were insufficient internal control checks to ensure any emerging shortfall in appropriations-in-aid was matched by savings in expenditure.
- 4.20** The Accounting Officer also stated that an internal audit of the State Laboratory's invoicing process was completed in April 2025. The internal audit found a good standard of control for the period reviewed (1 October 2023 to 14 March 2025).
- 4.21** The Accounting Officer outlined that the following steps have been taken to prevent a similar situation arising in the future.
- There is an additional monthly internal control check to ensure any shortfall in appropriations-in-aid is matched by savings in expenditure.
  - The end-of-year procedure has been updated to ensure any shortfall of appropriations-in-aid is matched by savings in expenditure.
  - The debt collection policy is under review to determine if changes to the collection activities are required.
  - Additional staff resources have been added to the management board and the finance section in the 2025 workforce plan. This will facilitate increased internal control.
- 4.22** *Public Financial Procedures* describe the process followed where an excess vote arises.
- The Comptroller and Auditor General reports the excess to Dáil Éireann and explains the issue to the Committee of Public Accounts, which may decide to call and examine the vote accounting officer.
  - If the Committee is satisfied with the explanations received, it can issue a report to the effect that it sees no objection to the excess sum being sanctioned by Dáil Éireann by means of an 'excess vote'.
  - The Minister for Public Expenditure and Reform, Infrastructure, Public Service Reform and Digitalisation (Minister for Public Expenditure) decides whether an excess vote should be put to Dáil Éireann. Where this course is acceptable to the Minister, s/he presents a 'statement of excess' to Dáil Éireann for approval. If that approval is received, the amount of the excess is included in the following Appropriation Act.

### Management of vote surpluses

- 4.23 When a vote’s net expenditure in the year is less than the amount provided, the surplus is liable for surrender to the Exchequer. The carrying over of certain funding to the succeeding year is possible if approved in the Appropriation Act for the year of account. It must also be sanctioned by the Minister for Public Expenditure under the provisions of section 91 of the Finance Act 2004.
- 4.24 Surpluses were recorded by 44 votes in 2024. The 2024 surpluses totalled €996 million (see Figure 4.3). Of that amount, a total of €192 million was approved for carry over to 2025. The balance of €804 million was due for surrender. The reasons for the underspending recorded by each vote are disclosed in the notes to the relevant appropriation accounts.

**Figure 4.3 Surplus appropriations, 2015 – 2024**



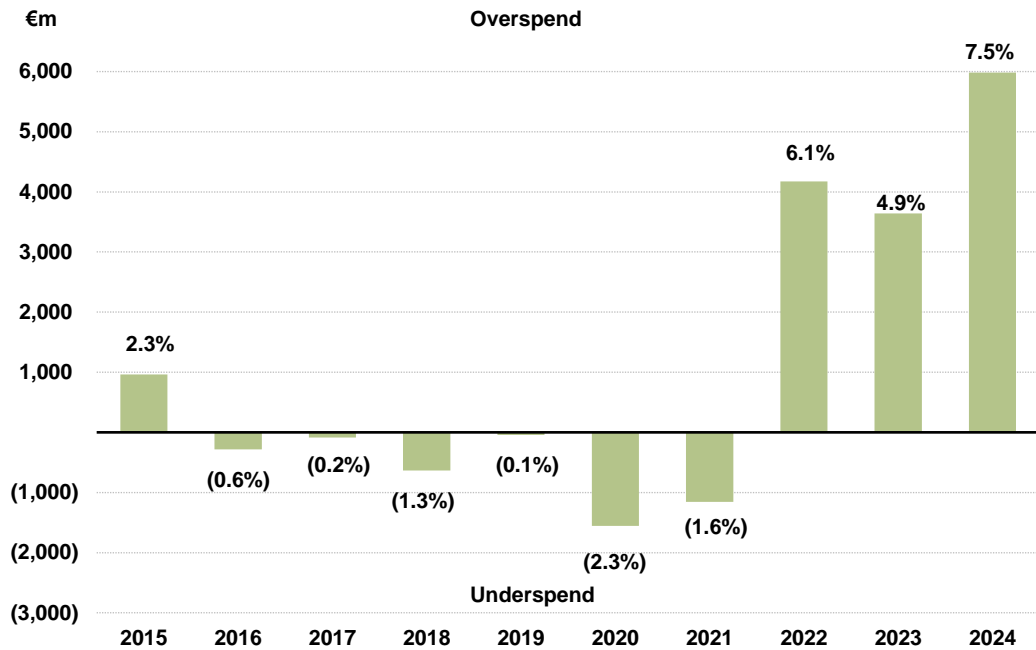
Source: Appropriation Accounts, 2015 to 2024. Analysis by the Office of the Comptroller and Auditor General.

### Budget variances

- 4.25 The estimates approved by Dáil Éireann represent the amounts required to meet the estimated cost of the services to be provided from each vote and the forecasted appropriations-in-aid. The budget variance is the difference between these estimates of net expenditure and the actual outturn in a year.<sup>1</sup> In 2024, net expenditure was almost €6 billion greater than the original forecast (see Figure 4.4).
- 4.26 For 20 votes, the net expenditure outturn was greater than the original estimate. Figure 4.5 shows the proportionate variance between actual expenditure and the original estimate in 2024, for those votes with a variance of more than (+/-) 10%.

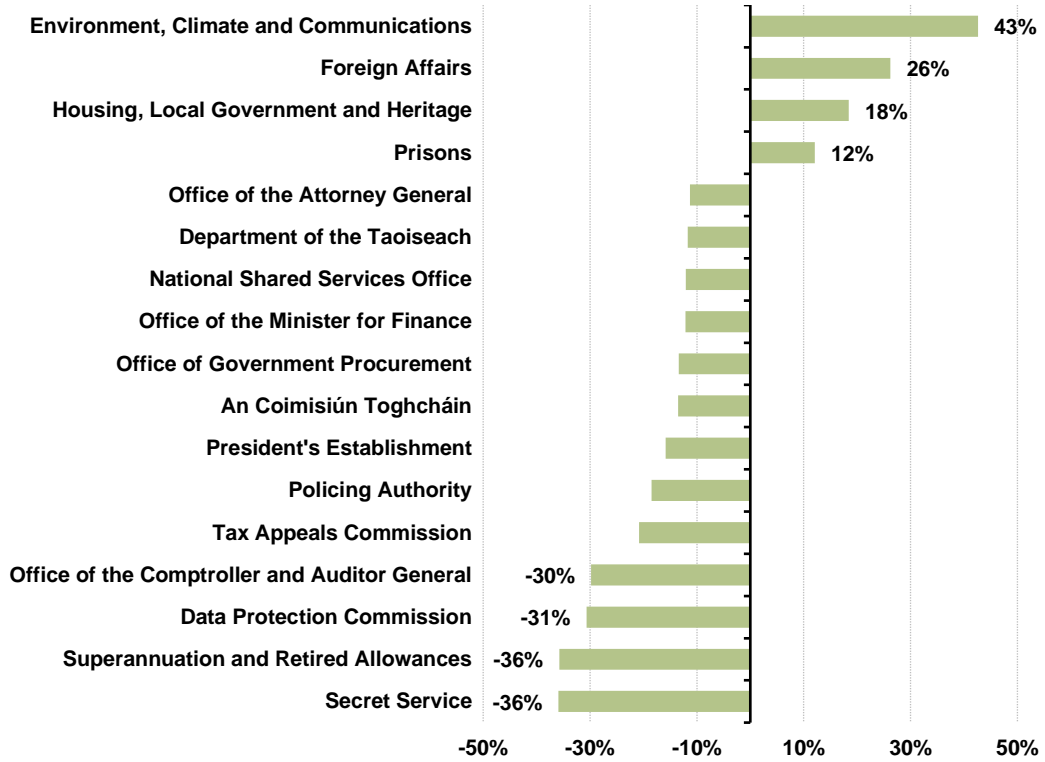
<sup>1</sup> There is a statutory provision to allow unspent capital allocations to be carried over to the following year for use for the same purpose, with the Department of Public Expenditure’s agreement. In this report, such carryover amounts are treated as part of the (following year’s) annual appropriations.

**Figure 4.4 Net expenditure variance from budget, all votes, 2015 – 2024**



Source: Appropriation Accounts, 2015 to 2024. Analysis by the Office of the Comptroller and Auditor General.

**Figure 4.5 Net expenditure variance, as a proportion of the original budget, selected votes 2024**



Source: 2024 Appropriation Accounts. Analysis by the Office of the Comptroller and Auditor General.

### ***Budget variance in Vote 29 Environment, Climate and Communications***

- 4.27** Vote 29 Environment, Climate and Communications had the largest percentage overspend, at 43% (2023: 85%) above its original estimate. This was mainly due to continued emergency measures introduced in response to increased energy prices for domestic customers. Due to continued high prices in 2024, the Government introduced a further scheme. This scheme provided for two payments of around €115 each (excluding VAT) to be credited to over 2.2 million domestic electricity accounts. The cost of these electricity credits of €520 million (2023: €926 million) was not included in the original estimate. It was provided through supplementary estimates.
- 4.28** €258 million of the €520 million expenditure incurred on the electricity costs emergency benefits schemes in 2024 related to electricity credits applied to domestic accounts in 2025. This amount is recorded as a prepayment and is disclosed in the statement of financial position in the Vote 29 appropriation account.

### **Exchequer receipts**

- 4.29** All receipts of central government departments and offices are liable for lodgement to the Exchequer, unless Dáil Éireann decides as part of the estimates process that they may be applied as appropriations-in-aid of specific votes.
- 4.30** Examples of substantial receipts that are not treated as appropriations-in-aid include Ireland's receipts from the EU Emissions Trading System, Tailte Éireann fees, and Data Protection Commission and Courts Service fine receipts. Such receipts are transferred to the Central Fund and are referred to as 'extra' receipts of the Exchequer. Windfall receipts are also usually brought to account in this way. These include proceeds of significant sales of property, receipts on foot of surplus income or profits of State companies, interest, dividends or capital repayments and compensation.
- 4.31** Extra Exchequer receipts realised by departments and offices in 2024 are shown in the notes to the relevant appropriation accounts. In 2024, these totalled €464 million (2023: €424 million). The aggregate amount of those receipts reported in each account is set out in Annex 4A (Figure 4A.3).

## Annex 4A Vote financial outturn

Dáil Éireann provides money for the ordinary services of government departments and offices by approving estimates of the amounts required for those services during each year. Statutory effect to those estimates is given in the annual Appropriation Act. The expenditure is provided for under a series of 'votes'. By law, an appropriation account must be produced for each vote. The account must provide details of the outturn for the year against the amount provided by Dáil Éireann.

Figure 4A.1 provides a summary of appropriations for public services in 2024, by vote.

Figure 4A.2 shows how surplus appropriations in 2024 were applied — either through deferral of expenditure to 2025 or by surrender to the Exchequer.

Figure 4A.3 shows the Exchequer extra receipts recorded against each vote in 2024.

### Glossary of terms

<b>Supply grant</b>	The money granted (or voted) by Dáil Éireann for each of the public services.
<b>Deferred from 2023</b>	Amount of capital funding not spent in 2023 and carried over for expenditure on capital services in 2024. The carry over of these sums was approved by Dáil Éireann.
<b>Appropriations-in-aid</b>	Departmental receipts which, with the agreement of Dáil Éireann, may be retained to defray the expenses of the vote to which they relate.
<b>Total appropriations</b>	Sum of the supply grant, deferred 2023 capital moneys (if any) and appropriations-in-aid.
<b>Surplus for the year</b>	The excess of total appropriations by Dáil Éireann over the gross expenditure together with any surplus on appropriations-in-aid. The surplus for the year is liable for surrender back to the Exchequer.
<b>Deferred surrender</b>	Amount of capital funding not spent in 2024 which has been carried over for expenditure in 2025. These carryovers were approved by Dáil Éireann.
<b>Surplus to be surrendered</b>	Amount of money appropriated in 2024 but not spent in the year or deferred to 2025, and so required to be surrendered to the Exchequer.
<b>Exchequer extra receipts</b>	Departmental receipts that are not appropriated-in-aid of the vote but are transferred to the Exchequer.

Figure 4A.1 Summary of appropriations for public services in 2024, by vote

Vote	Service	Amount appropriated				Outturn			Surplus/deficit		
		Supply grants	Deferred from 2023	Appropriations-in-aid	Total	Gross expenditure	Appropriations-in-aid	Net expenditure	Gross surplus	Excess/(deficit in) receipts	Net surplus for the year <sup>a</sup>
		€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
1	President's Establishment	5,260	—	96	5,356	4,549	122	4,427	807	26	833
2	Department of the Taoiseach	37,920	—	841	38,761	34,284	810	33,474	4,477	(31)	4,446
3	Office of the Attorney General	24,053	—	722	24,775	22,112	779	21,333	2,663	57	2,720
4	Central Statistics Office	81,015	—	2,300	83,315	82,984	2,225	80,759	331	(75)	256
5	Office of the Director of Public Prosecutions	65,946	—	1,048	66,994	66,237	1,022	65,215	757	(26)	731
6	Office of the Chief State Solicitor	52,476	—	1,144	53,620	53,450	1,498	51,952	170	354	524
7	Office of the Minister for Finance	42,434	110	6,460	49,004	44,924	7,537	37,387	4,080	1,077	5,157
8	Office of the Comptroller and Auditor General	11,130	—	7,026	18,156	16,842	9,028	7,814	1,314	2,002	3,316
9	Office of the Revenue Commissioners	532,136	—	63,500	595,636	581,081	64,714	516,367	14,555	1,214	15,769
10	Tax Appeals Commission	3,832	—	74	3,906	3,096	62	3,034	810	(12)	798
11	Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform	56,459	—	2,975	59,434	57,022	3,154	53,868	2,412	179	2,591

Vote	Service	Amount appropriated				Outturn			Surplus/deficit		
		Supply grants	Deferred from 2023	Appropriations-in-aid	Total	Gross expenditure	Appropriations-in-aid	Net expenditure	Gross surplus	Excess/(deficit in) receipts	Net surplus for the year <sup>a</sup>
		€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
12	Superannuation and Retired Allowances	225,388	—	666,343	891,731	871,430	726,644	144,786	20,301	60,301	80,602
13	Office of Public Works	675,212	—	23,820	699,032	694,512	31,655	662,857	4,520	7,835	12,355
14	State Laboratory	13,475	—	1,446	14,921	14,751	1,266	13,485	170	(180)	(10)
15	Secret Service	2,000	—	—	2,000	1,282	—	1,282	718	—	718
16	Tailte Éireann	85,637	—	1,530	87,167	79,289	1,592	77,697	7,878	62	7,940
17	Public Appointments Service	23,403	—	870	24,273	22,811	1,077	21,734	1,462	207	1,669
18	National Shared Services Office	72,567	1,200	7,031	80,798	72,220	7,351	64,869	8,578	320	8,898
19	Office of the Ombudsman	14,496	—	486	14,982	13,817	525	13,292	1,165	39	1,204
20	Garda Síochána	2,289,190	15,000	133,206	2,437,396	2,411,240	136,104	2,275,136	26,156	2,898	29,054
21	Prisons	489,657	—	12,230	501,887	500,692	12,402	488,290	1,195	172	1,367
22	Courts Service	154,950	—	36,333	191,283	188,773	38,313	150,460	2,510	1,980	4,490
23	An Coimisiún Toghcháin	11,719	—	80	11,799	10,246	108	10,138	1,553	28	1,581
24	Justice	526,061	1,400	137,796	665,257	660,918	155,026	505,892	4,339	17,230	21,569
25	Irish Human Rights and Equality Commission	8,890	—	203	9,093	8,916	180	8,736	177	(23)	154
26	Education	11,426,673	—	514,553	11,941,226	11,907,788	506,473	11,401,315	33,438	(8,080)	25,358
27	International Co-operation	774,319	—	1,030	775,349	773,485	1,786	771,699	1,864	756	2,620

Vote	Service	Amount appropriated				Outturn			Surplus/deficit		
		Supply grants	Deferred from 2023	Appropriations-in-aid	Total	Gross expenditure	Appropriations-in-aid	Net expenditure	Gross surplus	Excess/(deficit in) receipts	Net surplus for the year <sup>a</sup>
		€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
28	Foreign Affairs	361,091	—	75,000	436,091	429,580	85,219	344,361	6,511	10,219	16,730
29	Environment, Climate and Communications	1,759,961	1,800	9,145	1,770,906	1,733,812	10,530	1,723,282	37,094	1,385	38,479
30	Agriculture, Food and the Marine	1,717,533	45,600	436,567	2,199,700	2,123,837	476,437	1,647,400	75,863	39,870	115,733
31	Transport	3,693,308	140,920	28,455	3,862,683	3,703,080	22,474	3,680,606	159,603	(5,981)	153,622
32	Enterprise, Trade and Employment	1,348,755	20,000	86,881	1,455,636	1,397,483	91,803	1,305,680	58,153	4,922	63,075
33	Tourism, Culture, Arts, Gaeltacht, Sport and Media	990,299	21,480	216,440	1,228,219	1,165,541	210,891	954,650	62,678	(5,549)	57,129
34	Housing, Local Government and Heritage	8,146,571	141,000	70,854	8,358,425	8,353,058	76,485	8,276,573	5,367	5,631	10,998
35	Army Pensions	311,998	—	5,000	316,998	304,341	4,804	299,537	12,657	(196)	12,461
36	Defence	908,173	—	24,525	932,698	931,907	32,701	899,206	791	8,176	8,967
37	Social Protection	13,444,364	—	376,986	13,821,350	13,726,920	379,004	13,347,916	94,430	2,018	96,448
38	Health	24,153,208	70,000	422,705	24,645,913	24,644,419	449,414	24,195,005	1,494	26,709	28,203
39	Office of Government Procurement	21,793	115	525	22,433	19,508	531	18,977	2,925	6	2,931
40	Children, Equality, Disability, Integration and Youth	7,958,290	—	29,865	7,988,155	7,866,181	30,863	7,835,318	121,974	998	122,972
41	Policing Authority	4,368	—	70	4,438	3,636	76	3,560	802	6	808

Vote	Service	Amount appropriated				Outturn			Surplus/deficit		
		Supply grants	Deferred from 2023	Appropriations-in-aid	Total	Gross expenditure	Appropriations-in-aid	Net expenditure	Gross surplus	Excess/(deficit in) receipts	Net surplus for the year <sup>a</sup>
		€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
42	Rural and Community Development	400,908	20,000	42,669	463,577	458,925	41,252	417,673	4,652	(1,417)	3,235
43	Office of the Government Chief Information Officer	52,788	—	205	52,993	50,030	237	49,793	2,963	32	2,995
44	Data Protection Commission	28,126	—	285	28,411	19,722	320	19,402	8,689	35	8,724
45	Further and Higher Education, Research, Innovation and Science	3,460,549	40,091	97,746	3,598,386	3,592,257	107,869	3,484,388	6,129	10,123	16,252
<b>Total</b>		<b>86,468,381</b>	<b>518,716</b>	<b>3,547,066</b>	<b>90,534,163</b>	<b>89,722,988</b>	<b>3,732,363</b>	<b>85,990,625</b>	<b>811,175</b>	<b>185,297</b>	<b>996,472</b>

Source: 2024 Appropriation Accounts. Any apparent differences are due to rounding.

Note: a The net surplus is comprised of the excess of total appropriations by Dáil Éireann over the gross expenditure together with the excess (deficit) on appropriations-in-aid.

**Figure 4A.2 Application of surplus 2024 appropriations, by vote**

Vote	Service	Net surplus for the year	Deferred surrender (to 2025)	Surplus for surrender	Surplus surrendered % of the total appropriation
		€000	€000	€000	
1	President's Establishment	833	—	833	16%
2	Department of the Taoiseach	4,446	—	4,446	11%
3	Office of the Attorney General	2,720	—	2,720	11%
4	Central Statistics Office	256	—	256	0%
5	Office of the Director of Public Prosecutions	731	—	731	1%
6	Office of the Chief State Solicitor	524	—	524	1%
7	Office of the Minister for Finance	5,157	110	5,047	10%
8	Office of the Comptroller and Auditor General	3,316	—	3,316	18%
9	Office of the Revenue Commissioners	15,769	—	15,769	3%
10	Tax Appeals Commission	798	—	798	20%
11	Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform	2,591	—	2,591	4%
12	Superannuation and Retired Allowances	80,602	—	80,602	9%
13	Office of Public Works	12,355	—	12,355	2%
14	State Laboratory	(10)	—	(10)	0%
15	Secret Service	718	—	718	36%
16	Tailte Éireann	7,940	479	7,461	9%
17	Public Appointments Service	1,669	200	1,469	6%
18	National Shared Services Office	8,898	1,000	7,898	10%
19	Office of the Ombudsman	1,204	—	1,204	8%
20	Garda Síochána	29,054	16,586	12,468	1%
21	Prisons	1,367	—	1,367	0%
22	Courts Service	4,490	—	4,490	2%
23	An Coimisiún Toghcháin	1,581	—	1,581	13%
24	Justice	21,569	—	21,569	3%
25	Irish Human Rights and Equality Commission	154	—	154	2%

Vote	Service	Net surplus for the year	Deferred surrender (to 2025)	Surplus for surrender	Surplus surrendered % of the total appropriation
		€000	€000	€000	
26	Education	25,358	—	25,358	0%
27	International Co-operation	2,620	—	2,620	0%
28	Foreign Affairs	16,730	—	16,730	4%
29	Environment, Climate and Communications	38,479	—	38,479	2%
30	Agriculture, Food and the Marine	115,733	31,800	83,933	4%
31	Transport	153,622	115,253	38,369	1%
32	Enterprise, Trade and Employment	63,075	—	63,075	4%
33	Tourism, Culture, Arts, Gaeltacht, Sport and Media	57,129	24,788	32,341	3%
34	Housing, Local Government and Heritage	10,998	—	10,998	0%
35	Army Pensions	12,461	—	12,461	4%
36	Defence	8,967	—	8,967	1%
37	Social Protection	96,448	1,380	95,068	1%
38	Health	28,203	—	28,203	0%
39	Office of Government Procurement	2,931	—	2,931	13%
40	Children, Equality, Disability, Integration and Youth	122,972	—	122,972	2%
41	Policing Authority	808	—	808	18%
42	Rural and Community Development	3,235	—	3,235	1%
43	Office of the Government Chief Information Officer	2,995	900	2,095	4%
44	Data Protection Commission	8,724	—	8,724	31%
45	Further and Higher Education, Research, Innovation and Science	16,252	—	16,252	0%
	<b>Total</b>	<b>996,472</b>	<b>192,496</b>	<b>803,976</b>	<b>1%</b>

Source: 2024 Appropriation Accounts. Analysis by the Office of the Comptroller and Auditor General.

**Figure 4A.3 Exchequer 'extra' receipts 2024, by vote**

<b>Vote</b>	<b>Service</b>	<b>Receipts realised</b>
		<b>€000</b>
1	President's Establishment	—
2	Department of the Taoiseach	80
3	Office of the Attorney General	—
4	Central Statistics Office	—
5	Office of the Director of Public Prosecutions	—
6	Office of the Chief State Solicitor	661
7	Office of the Minister for Finance	16,516
8	Office of the Comptroller and Auditor General	—
9	Office of the Revenue Commissioners	4,016
10	Tax Appeals Commission	—
11	Office of the Minister for Public Expenditure, National Development Plan Delivery and Reform	21
12	Superannuation and Retired Allowances	—
13	Office of Public Works	—
14	State Laboratory	—
15	Secret Service	—
16	Tailte Éireann	86,095
17	Public Appointments Service	—
18	National Shared Services Office	—
19	Office of the Ombudsman	—
20	Garda Síochána	11,855
21	Prisons	—
22	Courts Service	8,055
23	An Coimisiún Toghcháin	—
24	Justice	7
25	Irish Human Rights and Equality Commission	—
26	Education	24
27	International Co-operation	—

Vote	Service	Receipts realised
		€000
28	Foreign Affairs	—
29	Environment, Climate and Communications	205,249
30	Agriculture, Food and the Marine	—
31	Transport	36,355
32	Enterprise, Trade and Employment	54,876
33	Tourism, Culture, Arts, Gaeltacht, Sport and Media	17,726
34	Housing, Local Government and Heritage	470
35	Army Pensions	—
36	Defence	10,966
37	Social Protection	4
38	Health	48
39	Office of Government Procurement	22
40	Children, Equality, Disability, Integration and Youth	8,270
41	Policing Authority	—
42	Rural and Community Development	16
43	Office of the Government Chief Information Officer	—
44	Data Protection Commission	590
45	Further and Higher Education, Research, Innovation and Science	1,855
<b>Total</b>		<b>463,777</b>

Source: 2024 Appropriation Accounts. Analysis by the Office of the Comptroller and Auditor General.



## 5 Development of a proposed national science centre

- 5.1** The Office of Public Works (OPW) is responsible for managing and maintaining a substantial property estate. The portfolio includes office accommodation for government departments, properties for An Garda Síochána and specialised spaces such as public offices, laboratories, cultural institutions, warehouses, heritage properties, visitor centres and sites.
- 5.2** The heritage properties held by the OPW include buildings accommodating national cultural institutions, such as premises used by the National Museum, the National Gallery, National Concert Hall and the Irish Museum of Modern Art. Most of the occupiers of the OPW's buildings are statutory public bodies.<sup>1,2</sup>
- 5.3** For the portfolio it owns, the OPW bears the cost of maintenance of the building fabric and pays for any required renovations or improvements. It also invests in the acquisition or procurement of new buildings as required to meet the needs of the public bodies it accommodates.

- 5.4** The OPW also frequently undertakes capital projects sponsored by other public sector bodies, acting as their agent/contracting authority. Under standard government accounting rules, expenditure in respect of such projects is carried out by the OPW in the first instance as a charge on a client-specific 'suspense' account and is either pre-funded or recouped from the relevant vote.<sup>3</sup>

### *Focus of this examination*

- 5.5** The 2024 appropriation account for Vote 13 Office of Public Works includes the disclosure of a contingent liability in respect of an agreement for lease entered into with a registered charity — Irish Children's Museum Ltd — to accommodate a proposed national science centre for children (the science centre).<sup>4</sup> The disclosure note does not state the estimated cost or the anticipated timing of the potential liability.<sup>5</sup>
- 5.6** The OPW entered into the original agreement for lease to provide a premises for the science centre in 2003. This was replaced by a successor agreement for lease of premises in 2013.

- 5.7** This examination was undertaken to review the circumstances that have given rise to the contingent liability and to assess whether the agreement for lease was executed in compliance with relevant policies and with the formal approval of the appropriate authorities.

- 5.8** The examination team interviewed OPW staff members and reviewed a substantial volume of documentation retained by the OPW. This included emails, letters, records, legal correspondence and internal memos.

1 The OPW stated that it also has a number of short and long-term historical lease or licence arrangements with non-public bodies, including community groups and agencies. These agreements are in respect of buildings for which there is no State-use requirement.

2 The OPW also holds one property in trust — Barretstown Castle.

3 It is the OPW's policy that major capital works are pre-funded.

4 The term 'science centre' is used throughout this report when referring to the project overall. Legal documents refer to the building intended for the science centre as a 'museum' or 'cultural building'.

5 [Central Government Accounting Standard 19 — Provisions, contingent liabilities and contingent assets](#) allows the omission of value and timing of contingent liabilities where they cannot be reliably estimated.

## Events leading to the 2003 agreement for lease

- 5.9** In July 2000, at the request of the then Tánaiste and Minister for Enterprise, Trade and Employment, a task force, reporting to Forfás, was asked to bring forward a proposal for the establishment of a science centre in Ireland.<sup>1,2</sup> The report of the task force recommended that the Government establish a science centre comprising a major facility in Dublin and two related smaller centres located in Cork and Galway.
- 5.10** In 2001, the OPW commissioned designs from an external architect for a major redevelopment of a site of 3.4 hectares that it owns at Military Road, Kilmainham, near Heuston railway station. Referred to as the ‘Heuston Gate’ development, it envisaged a competitive process to be put in place to construct 14 individual buildings, as well as restoration of protected structures and national monuments on the State-owned land. The accommodation was intended to cater for a mix of office, commercial, residential and cultural uses.
- 5.11** The *Programme for Government* published in June 2002 included a commitment to “...support the establishment, following competitive funding procedures, of interactive science centres and awareness programmes aimed at enhancing knowledge and interest in science”.
- 5.12** Reports of the time indicate that several proposals to deliver a national science centre were considered by the Department of Enterprise, Trade and Employment. Reportedly, all the proposals included requests for provision of premises and outlined the level of potential recurrent State support required.
- 5.13** The proposal received from Irish Children’s Museum Limited (ICML) included provisions that the science centre was to be accommodated in a purpose-built building in the Heuston Gate development.

## Initial project planning 2003 to 2004

### *Appraisal of initial proposals*

- 5.14** ICML had approached the OPW directly to discuss the possibility of leasing a building to house a science and technology museum in one of the State-owned heritage buildings. A file note, dated from April 2003, indicates that the OPW, aware of the requirement for a cultural aspect to be included at the Heuston Gate development, suggested the site to ICML. The provision of a modern, purpose-designed cultural building at Heuston Gate was intended to be fully funded through proceeds from the commercial exploitation of the wider development, with no direct expenditure from the Exchequer or cost to ICML.<sup>3</sup>
- 5.15** A preliminary estimate, dated July 2003, indicated that the building would cost around €14.3 million to construct. However, the OPW could not provide any evidence of a formal assessment of the opportunity cost of incorporating the premises in the Heuston Gate development e.g. in terms of best alternative public uses foregone, or potential higher returns on the overall development.
- 5.16** The OPW provided the examination team with a copy of a financial plan presented by ICML in July 2003. The plan set out the projected cash flows of the project and included a State subsidy of €100,000 per annum towards operating costs.

<sup>1</sup> The taskforce was established to make policy recommendations aimed at improving public awareness of science, technology and innovation.

<sup>2</sup> Forfás, dissolved in 2014, was the national policy advisory board for enterprise, trade, science, technology and innovation.

<sup>3</sup> It was intended that the cost of developing the cultural building would be borne by the developer as part of the overall development of Heuston Gate. The OPW was to retain ownership of the cultural building on completion.

- 5.17** The Department of Enterprise, Trade and Employment selected the proposal put forward by ICML on the basis that it did not require any direct State funding, and that the board members included internationally recognised experts in the field, with links to the children’s museum in Boston. The Tánaiste and Minister for Enterprise, Trade and Employment gave approval to accept the proposal from ICML in September 2003.
- 5.18** The examination team found a lack of transparency surrounding the selection process. There is no evidence that the proposal from ICML, or other proposals received, were subject to a formal evaluation, and there is no clear evidence that a competitive process was conducted. Furthermore, there is no evidence that the Department of Enterprise, Trade and Employment, or any other State body, carried out an *ex ante* appraisal or formal business case for the project, as was required by the capital expenditure guidelines in force at that time, (see Figure 5.1).
- 5.19** No formal decision was made identifying a body to act as ‘sponsoring agency’ for the project, and the sanctioning authority for the project was not clearly established. As a result, the project lacked formal management, planning and oversight arrangements from the outset.

**Figure 5.1 Compliance with the *Guidelines for the appraisal and management of capital expenditure projects in the public sector, 1994***

Preliminary assessment requirements	Finding
Avoid premature commitments, irrevocable commitments should only be made after all appraisal stages have been passed and final approval obtained.	No evidence of preliminary or detailed appraisal undertaken prior to commitment or at any stage of the project.
Clear objectives understood by both the Sponsoring Agency and Sanctioning Authority. Sponsoring Agency has overall responsibility for proper planning and management of project. Clearly establish the appropriate Sanctioning Authority at the outset (e.g. Government approval, Department of Finance, etc.)	No formal appointment of Sponsoring Agency or Sanctioning Authority. No formal arrangements in place to plan, manage or approve the project.

Source: Department of Finance, 1994 guidelines. Analysis by the Office of the Comptroller and Auditor General.

### ***Negotiation of lease***

- 5.20** In September and October 2003, records indicate that the science centre project and related legal arrangements were discussed between the OPW, ICML and the Chief State Solicitor’s Office. Correspondence was exchanged among the parties and amendments were made to draft legal documents.

- 5.21** The Chief State Solicitor's Office advised the OPW on the terms of the lease for the building to house the science centre. It recommended the inclusion of a conditional clause — if the Heuston Gate development did not proceed, the agreement to lease would not have effect. However, the conditional clause was not included in the 'agreement for lease' or 'indenture of lease'. In effect, the decision by OPW not to include this clause exposed the State to a greater level of risk and restricted the OPW's ability to terminate the lease agreement.
- 5.22** The OPW signed an 'agreement for lease' with ICML on 29 October 2003. The key elements of the 2003 agreement are detailed in Figure 5.2.

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**Figure 5.2 Key features of the 2003 agreement<sup>a</sup>**

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Clause	Features
Parties to the lease	OPW (landlord) and ICML (tenant)
Location of premises <sup>b</sup>	Heuston Gate, Military Road, Kilmainham
Building type	Construction of a new building
Size of building	4,645 m <sup>2</sup>
Term of lease <sup>c</sup>	20 years
Annual rent <sup>c</sup>	€1 (if demanded)
Completion date	7 days from the completion of tenants works or 52 weeks from the completion of the landlords works.
Landlord's works	Construction of a shell and core stage of a dedicated children's museum comprising the following: an appropriate car park for visitors and staff; building to be fully fitted, equipped and serviced with all utilities, computer cabling, connections and services such that the building on completion will be turnkey; landlord to landscape, finish the land and open spaces surrounding the museum, and construct adequate means of entrance and exit.
Time period of landlord's works	Not specified
Tenants works	Fit out of the demised premises as a children's museum.
Rescission (circumstances under which the agreement for lease could be revoked or cancelled)	If the tenant stops focusing on running an interactive children's museum, goes into liquidation or seriously breaches the agreement. If the demised premises are required in the event of a national emergency.
Architect	External architect
Termination clause	If no acceptable planning permission has been obtained by the landlord within a period of three years, the landlord is entitled to end this agreement.

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Source: Office of Public Works. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a The 2003 agreement comprises the agreement for lease and the indenture of lease.
  - b Depicted in the map attached to the indenture of lease.
  - c Information referenced from supplementary documents outside the formal lease agreements.

- 5.23** The agreement, which was shared with the then Department of Enterprise, Trade and Employment before it was signed, included a provision for a representative from that Department to be appointed to ICML's board. The Department appointed a board member in September 2004 and the same individual remained on the board until 31 December 2022.

### ***Authority to enter into an agreement for lease***

- 5.24** When reviewing the draft agreement for lease, the Chief State Solicitor's Office advised the OPW to seek the consent of the Minister for Finance prior to the execution of the agreement.<sup>1</sup> There is no evidence that the OPW sought or received specific sanction for the agreement for lease from the Department of Finance.
- 5.25** An OPW memorandum prepared in November 2003 — after the agreement for lease had been signed — stated that the OPW held delegated sanction from the Department of Finance to lease out State property for periods under 21 years. The OPW deemed this sanction as sufficient authority to enter into the agreement for lease for a term of 20 years.
- 5.26** The memorandum states the sanction was issued by the Department of Finance in September 1957. The sanction referred to contains a condition that 'economic rents' were to be applied in such leases, and that transactions of a novel character would require specific sanction. The proposed peppercorn rent, and the fact that a new building was to be constructed to accommodate the science centre, indicate that specific Department of Finance sanction for the 2003 lease should have been applied for.

### **Project planning and delays from 2005 to 2012**

- 5.27** Planning permission for the Heuston Gate development was secured on 14 June 2005. This permission provided for a new four-storey building of 5,902 m<sup>2</sup> for the science centre, an increase of 27% over the area set out in the agreement for lease.<sup>2</sup>
- 5.28** In 2006, ICML approached the Department of Enterprise, Trade and Employment seeking funding for the science centre fit-out costs. Records indicate that the Department of Enterprise, Trade and Employment approved plans to fund €4.5 million for the fit-out and design element over a four-year period, of which €582,259 was paid from 2006 to 2008.
- 5.29** ICML also approached the then Department of Arts, Sport and Tourism seeking additional funding averaging 39% of the company's projected ongoing operational costs. A file note in that Department records a recommendation that a maximum of 20% of the centre's operational costs should be provided. The Department approved provision of a total of €650,000, of which €587,500 was paid to the company between 2006 and 2008.

<sup>1</sup> The function of formally sanctioning public expenditure proposals transferred to the Department of Public Expenditure on its establishment in 2011.

<sup>2</sup> The size of the science centre set out in the 2003 agreement for lease was determined by the outline planning permission.

- 5.30** On 5 February 2007, the then Taoiseach made a formal speech at the unveiling of a model and architectural design for the science centre. Referring to the science centre as a "...key project within the programme for government", it was indicated that the OPW would provide 80% of the initial funding for this project through the site provision, design and building at the Heuston Gate development. However, there were no references made to the cost of this element of the project.
- 5.31** Over the period 2005 to 2008, plans for the science centre progressed. This included a research trip to similar facilities in the USA and Canada, attended by representatives from ICML, the Department of Enterprise, Trade and Employment, and the OPW. Following the trip, there was a request from ICML for additional exhibition space.
- 5.32** In April 2008, the OPW submitted a revised planning application for the building. The revised application included an 8,472 m<sup>2</sup> building spanning four to five storeys, featuring an eight-storey atrium. The proposed size was 82% more than the building provided for in the original agreement for lease and 44% more than the building provided for in the planning permission granted in 2005. While a preliminary costing, dated March 2008, estimated that the re-designed building would cost €35.8 million to construct, there is no evidence that these amendments in scale were formally evaluated or approved. However, the OPW has stated that the proposed increased size was approved internally at Commissioner level.
- 5.33** Due to the financial crisis in the period 2008 to 2012, and the contemporaneous property crash, the Heuston Gate development did not advance beyond planning permission.
- 5.34** In 2009, ICML wrote to several government ministers seeking an update on the status of the project. In June 2009, the Department of Arts, Sport and Tourism decided to end its funding for the science centre project and wrote to ICML stating that final funding of €50,000 for 2009 would be paid. This brought the Department of Arts, Sport and Tourism's total funding for the project, for this period, to €637,500.
- 5.35** The correspondence also suggested that ICML consider a potential collaborative project with the (then operating) Science Gallery in Trinity College. The letter also referred to the Department of Enterprise, Trade and Employment as the lead government department for the project.
- 5.36** The OPW informed ICML in 2009, 2010 and 2011 that financial constraints existed and funding for the project was not available. In 2011, the Department of Enterprise, Trade and Employment reiterated to ICML the OPW's position regarding the lack of funding available but stated that it remained 'committed in principle' to the project.

### **Lease settlement agreement in 2013**

- 5.37** In spring 2012, the OPW and ICML discussed the possibility of accommodating the proposed science centre in the CHQ building in the Dublin Docklands. The OPW formally offered accommodation in the building to ICML in October 2012. This offer was declined.

### ***Referral to arbitration***

- 5.38** In November 2012, ICML signalled its intent to invoke arbitration as provided for under the terms of the 2003 agreement. It proposed to seek to obtain an order of specific performance requiring the OPW to ensure the science centre building was constructed as originally designed and to compel the OPW to meet its contractual obligations.
- 5.39** In the period leading up to the 2013 settlement agreement, the OPW obtained legal advice from its appointed advisers, including the Chief State Solicitor's Office and senior counsel. During this time, the OPW also provided the Secretary General of the Department of Public Expenditure with documentation on the matter and informed the Department of the possibility of arbitration proceeding.
- 5.40** Legal advice indicated that the OPW's obligation under the agreement for lease was legally binding and that there was a likelihood of a liability to pay damages to ICML should the agreement be breached. The potential damages were estimated to range from €250,000 (reflecting the amount contributed from private donations) to €30 million. The latter figure was equivalent to the estimated potential cost (in 2013) of constructing the building at the scale to which the OPW had by then agreed.<sup>1</sup>
- 5.41** The OPW was also advised that mediation or the offer of an alternative location for the science centre should be considered to reach a settlement with ICML without proceeding to arbitration. However, the proposed alternative location, the CHQ building at Dublin Docklands, was declined again in June 2013.
- 5.42** Arbitration was originally scheduled to take place on 30 September 2013, but it did not proceed. Instead, a settlement was reached three days before the scheduled hearing. The settlement terminated the agreement for lease entered into between the parties in October 2003 and introduced a new agreement for lease (the 2013 agreement).

### ***Revised lease agreement main features***

- 5.43** The new agreement provided for a building on an OPW-owned site at Earlsfort Terrace, adjacent to the National Concert Hall, to accommodate the science centre.<sup>2</sup> The key features of the 2013 agreement are set out in Figure 5.3.
- 5.44** The 2013 agreement included the provision of a building, delivered through a mix of renovation and new build, which, at 9,580 m<sup>2</sup>, was more than double the size of the original building planned for Heuston Gate. The OPW stated that the increased size of building was a result of the assessment of the existing building layout, development of plans to use a combination of new build and renovation of existing building, and the most efficient use of the space available at the new site.
- 5.45** The *Public Spending Code* (the Code) came into effect on 2 September 2013, shortly before the signing of a new agreement for lease for the science centre project. The Code set out a revised statement of the rules, procedures and guidance to ensure value for money in public spending across the public service, applying to all organisations that use public funds.

<sup>1</sup> In April 2011, an external quantity surveyor estimated that the cost of constructing the proposed 8,472 m<sup>2</sup> building would be €25 million.

<sup>2</sup> The agreement for lease contained the form of lease that was to be granted once the various commitments by both parties had been complied with. The lease has not yet been granted as all triggering events have not yet occurred.

**Figure 5.3 Key features of the 2013 agreement<sup>a</sup>**

Clause	Features
Parties to the lease	OPW (landlord) and ICML (tenant)
Location of premises <sup>b</sup>	Earlsfort Terrace, Dublin 2
Building type <sup>b</sup>	Renovation of existing state asset
Size of building <sup>b</sup>	9,580 m <sup>2</sup>
Term of lease	20 years
Annual rent	€1 (if demanded)
Completion date	7 days from the completion of tenants works or 18 months from the completion of landlord's works.
Landlord's works	Redesign the layout of the demised premises, carry out all works and take all steps necessary to refurbish and fit out the demised premises so that same shall be fit for use as a first-class interactive science museum for children.
Time period for landlord works	36 months
Tenant's works	Fit out of demised premises as a national interactive science museum for children, specifically the installations and commissioning of the exhibits therein.
Rescission	If the demised premises is required in the use of a national emergency.  If the tenant stops focusing on running an interactive children's museum, goes into liquidation; or seriously breaches the agreement.
Architect	OPW architect
Termination clause	None

Source: Office of Public Works

Notes: a The 2013 agreement consists of the settlement agreement and the agreement for lease, both signed on 27 September 2013.

b Information referenced from supplementary documents outside the formal lease agreements.

- 5.46** Projects exceeding a €20 million threshold required a formal cost-benefit analysis under the Code. A cost-benefit analysis would have required a critical assessment of the costs and risks associated with accommodating the science centre at Earlsfort Terrace and to evaluate alternative options for the use of the site (e.g. by the adjacent National Concert Hall, which also accommodates the National Symphony Orchestra).
- 5.47** The OPW did not conduct an appraisal of the provision of the site, nor an assessment of the cost of relocating the project to Earlsfort Terrace, prior to committing to it as part of the settlement agreement. The OPW stated that there was limited time to resolve the impending arbitration, and the site was considered suitable as it was an existing vacant State-owned building requiring a new use and investment.

- 5.48** The OPW has stated that the requirement to carry out a cost-benefit analysis was not applicable to the science centre project at the time of the 2013 agreement as the estimated cost of the proposed work was deemed to be under the €20 million threshold. In support of this statement, the OPW provided a high-level estimate, prepared internally, which costed the project at €13 million (see Annex 5A). However, the estimate supplied was prepared almost a year after the settlement agreement was signed, and is lacking the detail that would be commensurate with a project of the proposed scale (even at a cost of €13 million). It also did not place a value on the site or existing buildings, and there were a number of significant exclusions from the estimate. It was also significantly at odds with the estimate independently prepared for the OPW in 2011 which had estimated the cost of constructing an 8,472 m<sup>2</sup> building, at Heuston Gate, at €25 million (i.e. just under €3,000 per m<sup>2</sup>).
- 5.49** In accordance with the thresholds at the time, specific approval from the Department of Public Expenditure was required for any project involving capital expenditure over €20 million. However, there is no evidence that the proposed renovation/extension of premises at Earlsfort Terrace was submitted to the Department of Public Expenditure for approval. However, there is evidence that the Department was aware of the developments.
- 5.50** In October 2013, the Minister for Public Expenditure and Reform, on behalf of the Minister for State with responsibility for the OPW, submitted a memorandum for information to the Government noting the agreement to lease the north block of the Earlsfort Terrace complex to ICML for 20 years.
- 5.51** The memorandum also noted that an interdepartmental group, chaired by the OPW and including five other government departments, had been established to coordinate the State's engagement with ICML.<sup>1</sup> The OPW has confirmed that the interdepartmental group, chaired by an OPW Commissioner, last met in May 2014.
- 5.52** Following the signing of the new agreement for lease in September 2013, the OPW provided ICML with an office space at Earlsfort Terrace which ICML has occupied, at no charge, since 2013. The OPW stated the office space is provided for under a clause in the 2013 settlement agreement which allowed ICML access to the premises that may reasonably be required for preparatory work on the science centre. The OPW also stated that as no landlord/tenant relationship exists between the parties, rent for this office space is not chargeable.

1 The interdepartmental group consisted of representatives from the Department of Jobs, Enterprise and Innovation; the Department of Arts, Heritage and the Gaeltacht; the Department of Education and Skills; the Department of Children and Youth Affairs; and the Department of Transport, Tourism and Sport.

2 The then Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs; Department of Education and Skills; and the Department of Jobs, Enterprise and Innovation.

3 The letter of offer stated that the funding was provided on a once-off basis and did not imply any future funding commitments by the State in respect of the project.

## Project delays 2013 – 2021

- 5.53** Planning permission for the science centre at the Earlsfort Terrace site was obtained on 14 September 2016. The OPW stated that due to competing priorities for scarce capital resources available to it at the time and the unavailability of specific funding for the project, the implementation of the 2013 agreement, in line with planning permission received in 2016, did not proceed.
- 5.54** In September 2016, Exchequer funding of €300,000 was approved for the recruitment of a CEO at ICML, to be provided over three years by three government departments.<sup>2</sup> The funding was conditional on ICML securing matching funding.<sup>3</sup> The then Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs acted as a central paying agency. Only one payment of €75,000 was made — in December 2016 — comprising €25,000 from each Department/Vote.

- 5.55** A series of cost reviews, undertaken by an external consultant over the period 2015 – 2018, estimated the total construction costs for the building at Earlsfort Terrace at €36.35 million (including VAT). <sup>1</sup> This represented almost three times the estimate prepared internally in 2014 (€13 million).
- 5.56** In 2018, the Department for Culture, Heritage and the Gaeltacht and the Minister of State for the OPW sought to bring a memorandum to government highlighting the need for State funding to progress the project. However, the Department of Public Expenditure considered that the memorandum should not proceed for various reasons, including the absence of a cost-benefit analysis as required under the *Public Spending Code*.
- 5.57** In July 2019, the Minister for Culture, Heritage and the Gaeltacht submitted a memorandum to government regarding *Project Ireland 2040 — the capital investment programme for the arts: masterplan for development of Earlsfort Terrace*. The Minister asked the Government to note the existing legal agreement for the development of the science centre, including both capital and current cost estimates. However, no financial information was provided at the time.
- 5.58** The memorandum outlined the then Department of Culture, Heritage and the Gaeltacht's intention to work with the OPW to carry out a full evaluation of the proposal. This evaluation was also to consider the possibility of exploring alternative approaches to delivering the science centre. However, the examination team found no evidence that this evaluation was undertaken and there is no specific mention of the science centre in *Project Ireland 2040*.
- 5.59** The Department of Culture, Communications and Sport confirmed that an internal review of the project was carried out at this time. The Department stated the review found that the project did not meet the requirements of the *Public Spending Code*.

### Arbitration process initiated in 2021

- 5.60** In 2021, the ICML initiated arbitration proceedings against the OPW because of the unfulfilled obligation committed to under the 2013 settlement agreement. A joint submission to the arbitrator outlined the dispute and procedure at the start. Legal issues were later set out in the pleadings.
- 5.61** The arbitrator made two decisions.
- In June 2022, a determination confirmed that ICML was entitled to specific performance but did not direct either party to take action.
  - In July 2022, an interim award required the OPW to apply for planning permission, obtain tenders and pre-qualify contractors for the agreed site by 30 November 2022. The OPW was also directed to give ICML quarterly updates and to cover the arbitration costs.
- 5.62** The OPW has stated that the arbitration findings are legally binding, compelling them to proceed with the construction. The OPW lodged a new planning application to Dublin City Council on 29 September 2022 to build the science centre at the Earlsfort Terrace site. At the same time, pre-qualification for main contractors commenced.

<sup>1</sup> These cost reviews were more detailed and included elements such as design team fees, contingency, development charges and statutory contributions.

**5.63** However, due to a delay in the planning application decision, the OPW did not progress the pre-qualification process. Planning permission was granted on 28 March 2024, and the OPW has current and valid planning permission for the science centre until May 2029.

**5.64** In July 2025, ICML's legal advisors wrote to the arbitrator noting that little progress had been made by the OPW and requesting a further hearing to address implementation of the interim award and to progress the final award. As of September 2025, the arbitrator has yet to reconvene the parties or issue the final arbitration order.

### ***Estimates of cost***

**5.65** Based on a costing prepared by external advisors, the OPW estimated the cost of delivering the project at the Earlsfort Terrace site to be €70.4 million (including VAT) as of May 2024. This figure excludes the cost for exhibition and planetarium fit outs, which, in line with the agreement for lease, are to be funded by ICML. The OPW described this cost as an entire project cost, inclusive of contingencies for inflation, and price and design risk.<sup>1</sup>

**5.66** Given construction cost inflation, the project to which the OPW appears to be committed is likely to cost in excess of €70 million, but has not been subject to a capital appraisal process.

**5.67** To date, no formal sanctioning authority or sponsoring agency has been appointed, and it remains unclear which vote will ultimately bear the cost of the development. Funding for the science centre is not currently included in any department's capital expenditure programme.

**5.68** The OPW has stated that a government decision will be required to agree the provision of capital funding and to appoint a project sponsoring agency and sanctioning authority.

### **Costs to the Exchequer to date**

**5.69** Through State funding provided to ICML, legal costs, surveys, site works, consultants, and statutory applications, the State has incurred over €4.27 million on the science centre project to date (see Figure 5.4). This does not include the costs of staff and management resources across a number of government bodies.

**5.70** The legal costs incurred to date include a payment of €307,500 towards ICML legal costs incurred in September 2013 and OPW legal costs of €255,252. This does not include 2021 arbitration costs which are yet to be determined. ICML legal costs are currently under review with the State Claims Agency — the arbitrator has determined that the OPW is responsible for these costs in full.

<sup>1</sup> This cost also includes elements such as design team fees, development charges and utility contributions.

**Figure 5.4 Costs of the national science centre project, August 2025<sup>a</sup>**

	2003 agreement — Heuston Gate site	2013 agreement — Earlsfort Terrace site	Legal costs (to date)	Total
	€'000	€'000	€'000	€'000
Office of Public Works	828 <sup>b</sup>	1,370 <sup>c</sup>	563	2,761
Department of Enterprise, Tourism and Employment	582	—	—	582
Department of Culture, Communications and Sport	638	75 <sup>d</sup>	—	713
Other	217 <sup>e</sup>	—	—	217
<b>Total</b>	<b>2,265</b>	<b>1,445</b>	<b>563</b>	<b>4,273</b>

Source: Analysis by the Office of the Comptroller and Auditor General

- Notes:
- a The amounts paid were confirmed with the current government departments depicted in this figure.
  - b The expenditure incurred by the OPW was for planning applications, site surveys and consultants at the Heuston Gate site.
  - c The expenditure incurred by the OPW was for planning applications, site surveys and consultants at the Earlsfort Terrace site to date.
  - d Consists of €25,000 from the then Department of Arts, Sport and Tourism; Department of Education and Skills; and the Department of Jobs Enterprise and Innovation (see paragraph 5.54).
  - e Records indicate a total of €217,150 was paid from Forfás, Pobal, the Department of Climate, Energy and the Environment, and Fáilte Ireland from 2006 to 2008. An amount of €124,200 appears to have been paid by Forfás. The examination team could not verify the total as Forfás was dissolved in 2014.

## Current market conditions

- 5.71** The proposal for a national science centre was approved over 20 years ago. Since then, the context for cultural and interactive attractions in Ireland has shifted significantly. Several facilities aimed at developing an interest in science and/or engaging children have opened and subsequently closed, indicating challenges in sustaining such ventures.
- 5.72** Separately, a privately-funded interactive science and sports centre spanning over 10,000 m<sup>2</sup> has been operating in Sandyford in Dublin since 2018, with approximately 300 interactive exhibits focused on science, technology, engineering, the arts and mathematics. Given its scale, facilities and established presence, the continued operation of this enterprise may limit the demand for another similar attraction in Dublin. The operation of this privately funded enterprise also raises the risk of a State aid challenge. These are factors that may be relevant to any formal appraisal of the proposed publicly supported science centre.

## Views of the Accounting Officer of the Office of Public Works

The proposal to develop a science centre was originally initiated in the early 2000s with a commitment in a Programme for Government. Government sponsorship and financial support for the project was driven through the Department of Enterprise, Trade and Employment with financial support also to be provided by the Department of Arts, Sport and Tourism.

The role of the Office of Public Works was to design and oversee the construction of a facility to be located at the Heuston Gate development. The OPW's role in this respect was similar to its undertaking of capital projects as a contracting authority for client bodies. These capital projects are funded from the relevant Votes for these client bodies.

The project scope developed over time. Initially the Heuston Gate masterplan of June 2003 included an outline museum/cultural space of 3,716 m<sup>2</sup>, prior to ICML being selected as operator. The October 2003 lease with ICML for circa 4,645 m<sup>2</sup> was based on initial high-level accommodation schedules and not a specific brief. Site visits to other science centres indicated that the proposed space and requirements for the science centre were inadequate, as noted in the October 2006 report prepared by the OPW. The revised plan provided for an 8,472 m<sup>2</sup> building, with the Department of Enterprise, Trade and Employment listed as the client on the 2008 planning application.

The 2013 lease located the centre in the largely vacant north wing of the Earlsfort Terrace complex, which was in need of investment to maintain the building. The site was located in a central cultural quarter with good transport links. The building's large rooms can support the required science exhibits and its reuse provides a sustainable approach to preserving a historic site. This plan provided for a science centre building totalling 9,580 m<sup>2</sup>. The increase in area relates to the re-use of an existing building and protected structure with a higher proportion of circulation area than in the new purpose built design proposal at Heuston Gate.

Arising from the financial constraints in 2009 development of the project ceased. Since 2012 the project has been the subject of various legal proceedings through arbitration processes. As the contracting authority, the OPW has been the respondent in these proceedings with no sponsoring department being party to the proceedings.

The most recent outcome of the arbitration proceedings is that the arbitrator found that the OPW was in breach of its contractual obligations to construct a science museum facility in Earlsfort Terrace in accordance with a lease agreement entered into by both parties in 2013. In his determination of 25 June 2022, the arbitrator found that the OPW is in breach of its contractual obligations to build the proposed museum, and that in principle, ICML was entitled to an order of specific performance. The arbitrator then made an interim award (26 July 2022) requiring the OPW to progress the project.

In July 2025, ICML sought a final award from the arbitrator to order the OPW to construct the science centre at the NCH site in accordance with the planning permission received in March 2024 and to provide a definitive timeline showing the milestones to completion of the works.

As Chairman of the OPW, I have advised representatives of ICML that, notwithstanding the OPW's legal obligation to meet a final award of specific performance from the arbitrator, once granted, that the critical issue of how the project is financed and from what Vote remains to be resolved. I fully accept that there is a binding arbitration award. However, the development of the project will require further consultation with departments who sponsored the initiation and development of this project. The Vote for the OPW provides capital allocations for flood risk management and OPW estate management, and does not provide capital funding for projects outside of these defined expenditure programmes. The OPW, as a contracting authority in this case, does not provide funding for the capital works development for the science centre project.

In my view, and while the OPW will comply with its legal obligations, there are fundamental questions remaining regarding funding for the operation of the science centre in the medium-term. The issue of the source and quantum of ongoing operational funding required for the science centre requires examination/evaluation by the relevant sponsoring department.

I share the key learnings from this examination that the roles and responsibilities of project sponsor and contracting authority should have been clearly defined from the outset. More robust project governance, with a clearly identified project sponsor, would have provided safeguards in respect of the other clear learnings from this project, around the scope of the project, in addition to the appropriate oversight of costs.

## Conclusions

### *Inadequate project governance*

- 5.73** The 2013 *Public Spending Code*, and the earlier capital appraisal guidelines, clearly set out the requirement for and role of the 'sponsoring agency' in effectively managing public investment projects. The sponsoring agency is responsible for overseeing the full project lifecycle — from planning and appraisal, to procurement and delivery, and subsequent operation.
- 5.74** For the science centre project, no formal decision has been identified regarding the appointment of a sponsoring agency, and this remains unresolved to date. This lack of formal governance arrangements has exposed the Exchequer to unnecessary risk, and there is a lack of clarity as to what the project is expected to achieve, and how it is to be funded. Absent a formal public sector sponsor, this project should not have proceeded to a significant formal commitment of public resources.
- 5.75** Without another public body acting in the role of sponsoring authority, the OPW had no client for the project to develop a science centre building. Without a client providing clear instructions and undertakings, the OPW should not have entered a formal commitment in respect of the science centre. It also did not have the authority to agree to the lease without a specific Department of Finance sanction for the proposal.

- 5.76** In entering into binding financial commitments in the absence of a formal client for the science centre, the OPW effectively took on the obligations attaching to the project. The OPW did not apply the safeguards designed to ensure that public funds are used effectively and efficiently in the development of the science centre project. To date, there still has been no formal evaluation or appraisal of the project from the State's perspective and no sanction by the Department of Public Expenditure. On that basis, key decisions and commitments appear to have been made by the OPW without appropriate authority or oversight.
- 5.77** Without a comprehensive assessment of the project's financial viability, long-term costs and potential returns, there is no assurance about whether the investment in the science centre potentially represents value for money or aligns with broader fiscal priorities.

#### ***Project scope drift***

- 5.78** In October 2003, the OPW entered into an agreement for lease with ICML for a 4,645 m<sup>2</sup> building which was yet to be constructed at the Heuston Gate site. In the course of seeking planning permission for the building from Dublin City Council, and in other planning exercises for the science centre undertaken with the proposer, significant project drift occurred.
- 5.79** Under the replacement agreement for lease in 2013, the OPW committed to deliver a 9,580 m<sup>2</sup> facility on the site at Earlsfort Terrace — more than twice the size of the project originally committed to and in a much more valuable and sensitive location.

#### ***Project cost overrun***

- 5.80** It was originally intended that the science centre would be developed as part of a wider property development undertaken by the OPW. By rolling the project into the bigger scheme, it was envisaged that the science centre could be developed without the need for direct Exchequer funding to cover the capital costs. As a result, this appears to have been interpreted as a 'no-cost' project which therefore did not require the application of the appropriate capital appraisal controls.
- 5.81** While the OPW estimated project costs at various stages, there is a lack of evidence that these costings informed the key decisions made as the proposed building increased in scale and the original Heuston Gate development was abandoned. Estimates of the cost of locating the project in Earlsfort Terrace do not appear to have been prepared prior to legally committing to the provision of the site. This indicates shortcomings in cost control and expenditure governance which failed to protect the taxpayer's interest.
- 5.82** As of May 2024, the projected cost (based on an external costing provided to the OPW) had risen to €70.4 million (including VAT). This figure may not reflect current market conditions and could increase further when the project is put to tender.

**Annex 5A** **Reproduction of August 2014 cost estimate of  
constructing the science centre at Earlsfort  
Terrace site**

██████████  
Architectural Services

**Re: Exploration / Childrens' Science Museum, Earlsfort Terrace.**

This letter supersedes that of 25th August 2014. I overstated the floor area on my initial report. The following is based on the floor areas as provided by you.

I have examined the drawings for the above and estimate that the cost of the proposed work would, at today's prices, be in the region of the following:

	€
New Build	7,000,000
Work to Existing	4,000,000
Demolitions and Siteworks	<u>500,000</u>
	11,500,000
VAT	<u>1,552,500</u>
	13,052,500

Say **€13,000,000**

This Estimate is based solely on block drawings with no details available. It is therefore a high level estimate. A further breakdown of costs is not feasible.

*Basis of Estimate:*

- Drawing Nos. H.14.003 Proposed Basement Floor Plan, August 21014
- Drawing Nos. H.14.003 Proposed Ground Floor Plan, August 21014
- Drawing Nos. H.14.003 Proposed First Floor Plan, August 21014
- Drawing Nos. H.14.003 Proposed Second Floor Plan, August 21014
- Drawing Nos. H.14.003 Proposed Third Floor Plan, August 21014
- Drawing Nos. H.14.003 Proposed Fourth Floor Plan, August 21014
- Drawing Nos. H.14.003 Existing Sections, May 21014

The above amounts exclude the following:

- Contingencies
- Cost fluctuations / Inflation
- Professional fees and VAT thereon
- Allowance for art
- Planning and fire safety fees
- Service charges
- Statutory contributions
- Development Charges

The estimate is based on a floor area of 3,904m<sup>2</sup> (New Build) and 5,336m<sup>2</sup> (existing).

While I understand that the Mechanical and Electrical work may be carried out under a separate contract, for estimating purposes I have applied Mechanical and Electrical costs proportionately to the relevant area of the existing building

If you have any queries on the above, please contact me.

██████████  
██████████  
26<sup>th</sup> August 2014



## 6 The OPW's management of office accommodation

- 6.1** The Office of Public Works (OPW) provides several key services for the State including managing its property portfolio, maintaining heritage sites and managing flood risk. It manages an estate of around 2,500 properties, including offices for civil servants, and buildings for use by An Garda Síochána.
- 6.2** The OPW reported that, as of 2 April 2025, there were approximately 535 office buildings with estimated useable space of around 875,000 m<sup>2</sup> within its estate. This included
- 270 State-owned buildings, accounting for nearly 60% of the overall floor area
  - 265 buildings either fully or part leased, under 325 lease agreements, accounting for just over 40% of the floor area.<sup>1</sup>
- 6.3** This examination was undertaken to review three main issues.
- Does the OPW collect sufficient and appropriate data to enable it to assess the office accommodation needs of its clients?
  - Are the OPW's lease/build/buy decisions regarding office accommodation for its clients informed by appropriate analysis?
  - Has the shift towards hybrid and remote working since Covid-19 led to a reduction in the requirement for office space?
- 6.4** The examination team interviewed OPW staff and reviewed documentation relating to the estate management function. The team also conducted on site fieldwork at a sample of locations. In terms of investment decisions, the focus of the examination was on those made by the OPW during the 2022 – 2024 period.
- 6.5** The respective roles and responsibilities of the OPW and its clients for establishing and satisfying office accommodation needs are set out in Figure 6.1.

**Figure 6.1 Roles and responsibilities in relation to office accommodation**

OPW	Client bodies
Engage with client bodies to remain appraised of current and emerging accommodation requirements.	Day-to-day facilities management including waste disposal, cleaning, utilities and anchor tenant responsibilities.
Operational management of leases/licences including approval of payments.	Notify the OPW of issues that could affect a lease or issues on site.
Property management.	Managing elective works e.g. client-initiated business/operational changes.
Liaising on the delivery of constructions, refurbishments and fit-outs to meet client needs.	Comply with <a href="#">Circular 01/2025 Management and Maintenance of Accommodation in Government Departments, Offices, Central State Agencies and Cultural Institutions</a> and the OPW's <i>Accommodation Guidelines</i> including managing use of space.
Liaising with the Chief State Solicitor's Office on legal matters.	

<sup>1</sup> There are 325 separate lease or licence agreements in place in respect of the 265 leased buildings. The OPW may have more than one lease agreement in respect of a single building.

## Data on the office estate held by the OPW

- 6.6** The OPW uses an integrated workplace management system from IBM, known as Tririga, to manage data and payments in relation to owned and leased office accommodation. The property management function of the database went live in 2022. The database holds information on managed properties, individual buildings at those properties and building occupancy. The extent of information maintained on the database differs for owned and leased properties (see Figure 6.2).

**Figure 6.2 Sample of information maintained by the OPW property management function**

Owned properties data	Leased properties additional data
Property name	Net letting area square metre
Property address	Contract status
Details of the primary use	Commencement date
Building class	Expiration date (current)
Gross area square metre	Car parking spaces
Usable area square metre	Base lease rate
Percentage allocated to OPW client <sup>a</sup>	Landlord information
Workstation count	Payee details
Climate information <sup>b</sup>	Payment schedules

Source: Office of Public Works

- Notes:
- a This will be 100% where an entire property is allocated to a single OPW client. For shared properties, it will show the percentage allocated to each client.
  - b For example, the system can record information in relation to the building energy rating (BER) and the display energy rating (DEC) including the type of certificate, validity period and the classification.

- 6.7** The OPW has stated that
- the scale of the managed property portfolio generates a substantial volume of property-related data,<sup>1</sup>
  - there is a project underway to collate and upload BER/DEC information onto the database and this has currently been completed in respect of 111 offices
  - it does not currently record fire safety information (e.g. service reports or fire alarm reports) in the database and
  - its responsibilities in relation to fire safety are managed through a separate process by the relevant business unit.

- 6.8** The OPW provided the examination team with extracted reports from its database on owned and leased property. The size of each property is expressed in square metres (m<sup>2</sup>). The OPW stated that the measurement standard it uses is the Royal Institution of Chartered Surveyors' *Code of measuring practice*.<sup>2</sup>

<sup>1</sup> For example, where buildings are shared by multiple clients or where there are multiple leases related to a building, there will be an increased number of datasets on the database.

<sup>2</sup> [Code of measuring practice](#), Royal Institution of Chartered Surveyors, sixth edition, May 2015.

### **Owned office accommodation**

- 6.9** More than one third of the office buildings owned by the OPW are relatively small, recorded on the database at less than 500 m<sup>2</sup> (see Figure 6.3). This includes 59 properties where the size is recorded as either zero or 1 m<sup>2</sup>.

**Figure 6.3 Size of owned property, 2 April 2025<sup>a</sup>**

Area (m <sup>2</sup> )	No. of properties
0 – 1	59
2 – 499	46
500 – 1,999	68
2,000 – 4,999	57
5,000 – 9,999	34
10,000 – 20,000	6
<b>Overall</b>	<b>270</b>

Source: Office of Public Works

Note: a Owned property with a primary use as office.

- 6.10** Excluding properties where the size is recorded as zero or 1 m<sup>2</sup>, there were 44 owned office buildings for which the gross area and the usable area were recorded as being identical. Gross area is typically higher than usable area, as it includes other space usage such as walls, columns etc. The OPW has indicated that these records will be reviewed as part of an overall data improvement exercise.
- 6.11** The OPW stated that its previous property management system had limitations in relation to updating information on owned-property records. The transition to the current system in June 2022 afforded the opportunity to include additional functionality and data fields. The OPW informed the examination team that additional functionality will be activated in line with available data and resources.
- 6.12** The OPW stated that due to resource constraints, it has not been possible to date to fully address inaccuracies, including owned properties for which no area is recorded, across the owned-property portfolio. The OPW further stated that these legacy issues are now being addressed with a dedicated resource recently being appointed to assist with the prioritisation of data enhancements on owned properties.

### **Leased office accommodation**

- 6.13** The OPW provided a listing from the database of leased office property. Almost half of the office leases held by the OPW are relatively small, at less than 500 m<sup>2</sup> (see Figure 6.4).

**Figure 6.4 Size of leased office property,  
2 April 2025**

Area (m <sup>2</sup> )	No. of leases
0	9
1 – 499	151
500 – 1,999	111
2,000 – 4,999	45
5,000 – 9,999	7
10,000 – 20,000	2
<b>Overall</b>	<b>325<sup>a</sup></b>

Source: Office of Public Works

Note: a There are 325 separate lease agreements in place in respect of the 265 leased buildings.

**6.14** The OPW's total operating lease expenditure for 2024 was €122 million (including VAT and other expenses). The leased office buildings with the highest expenditure (including rent, VAT and other expenses) in 2024 were

- Miesian Plaza, Dublin 2 (€10.9 million)
- the Distillers Building, Dublin 7 (€10 million) and
- Bishop's Square, Dublin 2 (€7.6 million).

**6.15** The Distillers Building is classified on the OPW database as being 'reserved' (i.e. allocated but currently unoccupied), which the OPW states reflects the fact that it is in the process of being fitted out for clients.<sup>1</sup> The OPW stated that the lease commenced in July 2022, with two rent-free periods which concluded in March 2024, and a total of €12 million rent (excluding VAT) paid up to the end of September 2025.

**6.16** The OPW has stated that the delay in occupying the Distillers Building has been due to complex design and construction issues, both for the landlord and itself, and the practicalities of dealing with multiple clients with unique specialised requirements. The OPW expects that 'substantial completion' status will be achieved for the fit-out by the end of September 2025, and the building will be available for clients to occupy thereafter.

**6.17** At the end of 2024, the OPW's total commitments in relation to leased office properties were estimated at €1.1 billion.<sup>2</sup> The largest commitments related to

- the Distillers Building — €221 million, to July 2047
- Miesian Plaza — €184 million, to December 2041
- One George's Quay, Dublin 2 — €48 million, to May 2041.

<sup>1</sup> The building is expected to be the headquarters for Tailte Éireann, the Chief State Solicitor's Office, the Valuation Tribunal and the Insolvency Service of Ireland. Tailte Éireann is an amalgamation of Ordnance Survey Ireland, the Valuation Office and the Property Registration Authority.

<sup>2</sup> Appropriation Account 2024, Vote 13, Office of Public Works.

**6.18** The OPW stated that the properties listed provide long-term modern, efficient and sustainable key infrastructure for critical government services. They were acquired through long-term lease hold acquisition, reflecting client requirements, market conditions, the economic environment at the time, and available funding and have enabled it to divest itself of sub-optimal buildings that are no longer fit-for-purpose and do not meet the expanding needs and consolidation requirements of clients.

***Sample testing of OPW data***

**6.19** The examination team selected a sample of eight properties (four leased and four owned) to verify the data contained in the OPW database.

- For three of the leased buildings, the property sizes recorded in the database matched the size referenced in the lease documentation. In the other case, the size of the property was not included in the lease.
- The OPW was unable to provide any documentation independently certifying the size of the four owned buildings.

The OPW stated that it is in the early stages of a process to standardise and digitalise area measurements across its office portfolio.

**6.20** The eight sampled sites were visited by the examination team. The locations were notified in advance to the OPW and in all cases the examination team was accompanied by the OPW employee responsible for managing the individual sites. Issues with the data recorded were noted in three locations.

***Finglas Driving Test Centre — leased***

**6.21** The examination team visited this site but found that despite being recorded on the database as an office building, it is actually a heavy goods vehicle compound for driver testing, being used by the Road Safety Authority (see Figure 6.5). The database mistakenly records this area as over 6,400 m<sup>2</sup> of office space. The OPW stated that this classification error is being corrected on the system.

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**Figure 6.5 Road Safety Authority facility, Finglas**

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Source: Office of the Comptroller and Auditor General

*An Garda Síochána HQ, Phoenix Park — owned*

- 6.22** The database noted several separate buildings at Garda headquarters which the examination team visited. However, on site, the examination team found that two of the buildings listed on the database — the ‘clock building’ and ‘finance building’ — were in fact one building.
- 6.23** Separately, a number of buildings present on the site (e.g. the International Building and Dooley’s building) were not included in the listing of owned buildings provided to the examination team by the OPW.

*Department of Education and Youth, Marlborough Street — owned*

- 6.24** Information provided by the OPW in advance of the visit to the Department of Education and Youth site in Marlborough Street indicated that there were 11 active office building records for the campus. Two of those buildings were recorded as having useable areas of 1 m<sup>2</sup>.
- One of the buildings, recorded on the system as ‘office blocks’, could not be identified during the site visit.
  - For the other building, labelled on the system as ‘Tyrone Annex’, the examination team was directed on site to a building beside Tyrone House (see building labelled as ‘No. 28’ in Figure 6.6).
- 6.25** The OPW subsequently informed the examination team that the entries on the database refer to two buildings that have been demolished. It stated that a note was entered on the system to record the demolition of the buildings but that the building codes remained active. The OPW has confirmed that errors noted by the examination team in respect of the sample buildings have now been addressed.

**Figure 6.6 Marlborough Street**

Source: Office of the Comptroller and Auditor General

**Office property acquisitions and disposals**

- 6.26** The OPW mainly sources office accommodation through
- acquisition (leasehold or freehold)
  - refurbishment and fit-out of existing office accommodation.

### **Lease renewals**

**6.27** The OPW provided the examination team with a listing of 61 leases that expired during the 2022 – 2024 period. Of those, the OPW had taken decisions to renew the lease in 30 cases. In another 26 cases, the OPW is continuing to pay rent on property for which the lease term has expired, but where its clients are still in occupation under an implied or periodic tenancy.<sup>1</sup> The OPW has stated that this practice is in keeping with the relevant landlord and tenant legislation. The OPW has exited three of the remaining leases and two are still under consideration.

**6.28** Two sample decisions on lease renewals were selected by the examination team for detailed review.

### *Central Statistics Office building, Swords*

**6.29** The lease on a building, Unit 5/6 in the Swords Business Campus, occupied by the Central Statistics Office (CSO), was due to expire in January 2022. The CSO occupies Unit 4 and Unit 5/6 which are adjoining and fully connected physically and for ICT network connectivity. Unit 4 occupied under a 25-year lease comprises a large office space and a warehouse which holds paper copies of the census. Unit 5/6 consists of an open plan office space, a small kitchen and some meeting rooms. The combined area is 4,332 m<sup>2</sup>. The annual lease cost of Unit 5/6 was €142,000.

**6.30** The OPW provided the examination team with supporting information for its decision to renew the lease. This included a CSO letter (dated February 2021) to the OPW outlining the need to retain the premises until at least Q2 2027 due to

- the expectation of a shorter period (as a result of Covid-19) before the next census<sup>2</sup> and
- the anticipated extra work involved in facilitating an online option for that census.

The letter also noted that the costs of returning the building to its pre-lease condition and acquiring alternative accommodation would far exceed that of retaining the building until Q2 2027.

**6.31** The OPW also provided a March 2022 lease renewal report, setting out the details of the property and the proposed new lease agreement. The new ten-year lease included a seven-year tenant-only break clause and a diluted reinstatement requirement to address the CSO's concern of the costs of returning the building to its pre-lease condition.

**6.32** During a site visit on 19 May 2025, the examination team noted that while Unit 4 was busy and the warehouse was being used to store census material, there was little use of the adjoining Unit 5/6 on that particular day. However, the proximity and connectivity to the main unit (i.e. Unit 4) and the potential benefits when additional temporary staff are needed before and after the census was clear.

<sup>1</sup> A periodic tenancy may be inferred where there is a landlord and tenant relationship, and rent is demanded and paid by reference to a time period. For example, a tenancy can be implied by holding over premises on the expiration of a lease.

<sup>2</sup> The planned April 2021 census was delayed to April 2022. The next census is planned for April/May 2027.

*Additional office space at Bishop's Square, Dublin 2*

- 6.33** The OPW has leased the lower three floors in the Bishop's Square building since 2002. In 2018, the owners were extending the building and were actively marketing the new space.<sup>1</sup> A cost effectiveness appraisal was commissioned by the OPW in November 2018.
- 6.34** The proposed lease terms were compared to two other negotiated rental agreements from that time, adjusting for floor areas and car parking spaces to allow for direct comparison. Based on the net present value of lease payments over a 20-year period, the Bishop's Square lease compared favourably to the two rental agreements.<sup>2</sup>
- 6.35** The OPW identified the Department of Foreign Affairs and Trade as having a potential need for replacement of two existing leased properties due to expire in the medium term.
- A property (1,056 m<sup>2</sup>) on Hatch Street was being leased (in early 2019) at a cost of €210,000 a year. The lease had originally commenced in September 1978 and was due to expire in 2023.<sup>3</sup> The building was considered to have reached the end of its useful life. The OPW stated that the rental amount was under review in early 2019, with the worst-case scenario being a potential increased annual rent of €680,000.
  - A leased space (1,624 m<sup>2</sup>) on Clonmel Place was also due to be vacated by April 2024. The annual cost of that lease was €804,500.
- 6.36** The new lease in Bishop's Square was due to commence in Q2 of 2019 with the building in a shell and core condition.<sup>4</sup> However, the OPW estimated during the appraisal that fit-out works would not commence until early 2020 and that the building would not be ready for occupation until Q1 of 2021.<sup>5</sup>
- 6.37** The landlord agreed to contribute approximately €1.9 million towards the cost of Category A fit-out works (to be offset as a credit for the OPW once the works were completed). The expected cost to the OPW to complete the entire fit-out was €7.2 million, net of the landlord's contribution.
- 6.38** A request for sanction submitted to the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (Department of Public Expenditure) in January 2019 proposed a 20-year lease term with a tenant-only break option after 15 years. The proposed annual rental cost was €2,440,415 excluding VAT. Provisions were included for rent reviews and a 15-month rent-free period (September 2019 to December 2020).
- 6.39** The Department of Public Expenditure's sanction for the lease was received in February 2019, subject to a number of conditions regarding cost control, value for money, budget and compliance with public financial procedures and building control regulations.
- 6.40** The lease was signed in May 2019. Delays were encountered in getting the building ready for use. The OPW has stated that the delays primarily related to the impact of Covid-19 and the reallocation of OPW resources to other priority projects such as Brexit-related works. In addition, the building was sold in 2020 which caused further complications in obtaining certification and other documentation.

1 The newly available space in Bishop's Square included part of the fourth floor and all of the fifth and sixth floors, amounting to approximately 4,284 m<sup>2</sup>.

2 The appraisal took account of rent-free periods included as part of the lease terms.

3 The original 35-year lease expired in 2013. A new ten-year lease to 2023 was subsequently extended by a further year to August 2024.

4 There are three main levels of building fit-out ranging from 'shell and core' which provides basic structural elements (e.g. external walls, roof, windows etc.) to Category B which is customised to the tenant and includes partitioning, IT infrastructure, lighting etc. Category A is an intermediate fitout level between 'shell and core' and Category B.

5 Design work and a public procurement process had to be completed prior to commencement of the works.

- 6.41** Rent of almost €7.9 million (excluding VAT) was paid by the OPW from May 2019 to March 2024, while the property was not occupied. The net cost to the OPW of the fit-out was €10.45 million (excluding VAT and fees) which exceeds the amount included in the January 2019 request for sanction by over 45%.<sup>1</sup>
- 6.42** The Department of Foreign Affairs and Trade exited the Hatch Street building and moved to its new premises in Bishop's Square in May 2024. The Hatch Street building was surrendered at the end of August 2024.
- 6.43** Section 8(1) of statutory instrument (SI) 426/2014 states that a public body shall not purchase or lease a building, or a portion of a building, for its own use unless it has a building energy rating (BER) of A3 or higher.<sup>2</sup> Section 8(3) of the statutory instrument sets out a number of exemptions that a public body may invoke, at its own discretion, including for example where it intends to bring the building to an A3 rating within three years of occupation.
- 6.44** The OPW stated that the exemption that could be applicable to this case is Section 8(3)(d), whereby a public body has established that no alternative building, rated A3 or higher, is available that is satisfactory in terms of location, size, specification or price. It stated that as part of the 2019 appraisal process for the additional space in Bishop's Square, it undertook a multi-criteria analysis assessing a range of properties that were available to lease at that time. This analysis fed into the cost effectiveness appraisal that was included in the sanction request submitted to the Department of Public Expenditure. The OPW asserts that the appraisal outcome supports the designation of the space in Bishop's Square as the most appropriate building available in terms of size, specification and price.
- 6.45** The OPW stated that a building energy assessment from 2019 gave the building a base assessment of a B3 rating. It intends to commission a revised energy certificate in the near future.

### ***Lease break clauses***

- 6.46** Break clauses or options are provisions in lease agreements allowing a tenant (and sometimes a landlord) to terminate the lease before the end of its fixed term. There can be a cost to the tenant to include a break clause in a lease agreement.
- 6.47** A policy introduced by the Department of Public Expenditure in 2016 requires lease agreements with terms exceeding ten years to include a tenant-only break clause at the end of the tenth year.<sup>3</sup> The policy states that in most cases, a lease term of ten years is sufficient to allow a return on any relocation and fit-out costs.
- 6.48** The examination team noted that the lease signed by the OPW in May 2019 for additional space in the Bishop's Square building was for a 20-year term but that a tenant-only break option only applied after 15 years.
- 6.49** The OPW stated that
- the policy issued by the Department of Public Expenditure is intended to provide high-level guidance
  - a requirement to always include a break option is extremely restrictive and would hinder the OPW's ability to negotiate the best overall terms

<sup>1</sup> A contribution from the landlord towards the cost of the Category A fit-out works was received in the form of an additional 9-month rent-free period from July 2024 to March 2025. The value of the credit was €1.9 million.

<sup>2</sup> [SI 426/2014 – European Union \(Energy Efficiency\) Regulations 2014](#).

<sup>3</sup> [Circular 17/2016: Policy for Property Acquisition and for Disposal of Surplus Property](#). The stated intention of the circular is to provide high-level guidance on what should be considered before a decision is made to acquire or dispose of a property. However, the section on lease break options states that for leases with terms of more than ten years, a tenant break right must be included at the expiry of the tenth year.

- it is mindful of the policy and that its starting position is always to seek a lease break clause to achieve value for money and maintain flexibility in its leasehold property portfolio
- due to the level of investment in the fit-out of providing new premises to a client, the inclusion of a lease break at year ten is not always beneficial.

However, there was no explicit reference in the OPW's January 2019 sanction request to the Department of Public Expenditure, in respect of the Bishop's Square lease, to any intention to depart from the requirements of circular 17/2016 in respect of lease break options.

- 6.50** There were 62 OPW leases with break clauses that could have been activated during the 2022 – 2024 period. None of those break clauses were activated. Two break clause decisions were selected for review by the examination team, with issues arising in one of those cases.

*Bloom House, Dublin 1 — break clause consideration*

- 6.51** The OPW agreed a 20-year lease for Bloom House, Dublin 1, in November 2015. The agreement gave the OPW the option to terminate the lease after ten years, or after 15 years, subject to serving 12-months' notice in writing to the landlord and vacating the property before the option date.
- 6.52** The property is occupied by the Companies Registration Office (CRO) and the Competition and Consumer Protection Commission (CCPC). In June 2024, the CCPC wrote to the OPW stating that it had outgrown its footprint in Bloom House and had an imminent critical need to relocate to modern premises of suitable location and size.
- 6.53** Despite having received the CCPC's correspondence almost 18 months in advance of the option date, the OPW could not provide the examination team with any evidence that activating the break clause in November 2025 had been considered.
- 6.54** The OPW has confirmed that in response to the issue raised by the examination team, decisions on whether to activate lease break clauses are now being formally documented by its property management team as part of quarterly lease event workshops.
- 6.55** The examination team found the Bloom House building to be fully allocated for use. There was a variable level of occupation on the day of the visit with high levels of staff attendance in some areas and lower levels elsewhere. It was noted that a CRO public office that was closed since Covid-19 restrictions were applied had not been changed or adapted for other uses. The OPW stated that it is working with both clients in this building to see how existing space can be used more efficiently.

### Acquisitions

- 6.56** The examination team reviewed two new acquisitions of property by the OPW — a new lease and a new purchase.

#### *Passport Office, Cork — lease acquisition*

- 6.57** In August 2022, the OPW (in conjunction with the Department of Foreign Affairs and Trade) prepared a preliminary appraisal to lease a new Passport Office facility in Cork. The lease was to replace the existing facility on the South Mall considered to be at the end of its useful life. The annual rent for the South Mall building was €290,000 for an area of nearly 1,330 m<sup>2</sup> (see Figure 6.7).
- 6.58** The final business case included a multi-criteria analysis of three options over a 20-year term, to commence in Q2 2024. A proposed new building on Navigation Square was deemed the most favourable option, at €26 million (economic net present value, discount rate 4%).<sup>1</sup> The building was to be received by the OPW in a shell and core condition.

**Figure 6.7 Old Passport Office, Cork<sup>a</sup>**



Source: Office of the Comptroller and Auditor General

Note: a Since 1987, the Passport Office has had a public office on the ground floor and additional space on the first and fifth floors. The building dates from the mid-1960s and is classified as a 'first-generation' office on the OPW database.

- 6.59** Sanction to proceed with the new lease was given in November 2023 by the Department of Public Expenditure. The 20-year lease commenced in January 2025 (over six months later than anticipated in the final business case) and includes part of the ground floor, the full first floor and a number of car parking spaces. A break option after 12 years was included.
- 6.60** The OPW stated that a contribution in lieu of a Category A fit-out was agreed with the landlord and will be recouped by way of a rent-free period.<sup>2</sup> In addition, the OPW noted that a rent-free period of 19 months was agreed with the landlord.
- 6.61** The OPW stated that the delay in the commencement of the lease was due to the negotiation of lease details taking longer than expected. As at end June 2025, the design phase for the building is ongoing (see Figure 6.8). It is now expected that the building will be ready for occupation by September 2026.

<sup>1</sup> The costs compared as part of the appraisal included rent, service, maintenance, fit-out, professional and parking costs.

<sup>2</sup> Category A is an intermediate fitout level, between 'shell and core' (the most basic) and Category B (full client customisation).

**Figure 6.8** Ground floor of Navigation Square building in ‘shell and core’ condition (May 2025)



Source: Office of the Comptroller and Auditor General

*Trinity Point, Dublin 2 — building purchase*

- 6.62** During 2023, the OPW held several leases in Trinity Point, with annual rents totalling €1.98 million, which were due to expire in 2032.
- 6.63** In July 2023, a memorandum was prepared for the OPW Management Board considering the purchase of the building. The identified strategic benefits included
- long-term security over 4,000 m<sup>2</sup> of centrally located office space
  - office accommodation for current civil service needs and future growth
  - aligning with investment objectives, OPW strategy and wider government policy including the National Development Plan and climate action plans.
- 6.64** The proposal noted that the first floor (827 m<sup>2</sup>) remained vacant but that there were clients with a business requirement to be in proximity to government buildings that could be accommodated there. It also noted that the OPW had a number of options for the building if vacated, or part-vacated, by existing clients.
- 6.65** The OPW commissioned valuation reports relating to the Trinity Point building that fed into the preliminary and final business cases. A financial appraisal compared the option of the OPW purchasing the building to it leasing additional space at Trinity Point or leasing additional space at an alternative location. The purchase option ranked first. The final business case in September 2023 costed the purchase option at a net present value of €39.5 million.
- 6.66** The purchase proposal noted that the current energy rating of the building was B3 but that this could be improved to a B2 rating, with minimum additional cost. The final business case estimated that the costs of completing works to achieve a rating of A3 would be €11.4 million, including VAT and fees.

- 6.67** In October 2023, the Department of Public Expenditure conveyed sanction for the OPW to purchase the Trinity Point building for a negotiated sum of €39.85 million (excluding VAT). The purchase was completed in December 2023.
- 6.68** The examination team noted that the OPW database records the area of the Trinity Point building as 0 m<sup>2</sup>. The OPW stated that this will be rectified as part of the ongoing project to address inaccuracies in its property database.
- 6.69** During a site visit in May 2025, the examination team noted that the first floor remained unoccupied. In addition, the third floor had been recently vacated, when the Office of the Data Protection Commissioner moved to new premises.
- 6.70** The OPW has stated that
- It operates in a dynamic environment which requires the ongoing reallocation of space to meet the accommodation needs of its clients.
  - Since the acquisition of Trinity Point in December 2023, the first floor has been allocated to a client, and following the recent completion of a required fit-out, this client is in the process of occupying this space.
  - The third floor which has recently been handed back by the Office of the Data Protection Commissioner is under offer to another client.
  - The Section 8 (3)(d) exemption under SI 426/2014 is also relevant to the acquisition of Trinity Point i.e. the OPW identified as part of the appraisal process that no alternative building was available to meet the specific objectives in terms of location, size, specification or price.

However, the examination team found no reference to the Section 8(3)(d) exemption in the final business case which did note the intention to upgrade the property to an A3 BER standard by 2026.

### **Post-Covid-19 space requirement**

- 6.71** Over recent years, there has been a widespread move towards more flexible working arrangements in the public sector and in particular, 'hybrid' working pattern models featuring more home/remote working and less requirement to attend the office.
- 6.72** In July 2021, the OPW prepared a discussion paper on office accommodation issues arising from the move to hybrid working. The paper recognised that hybrid working patterns would be likely to enable efficiencies in the use of office space to be achieved over time. However, it noted that reducing the level of accommodation held, whether owned or leased, may not be straightforward for a number of reasons, including
- the condition and configuration of buildings
  - the nature of some leases and timings of lease events, including break options and expiry dates
  - potential dilapidation liabilities and title issues
  - future strategic accommodation needs from across the portfolio.

- 6.73** The discussion paper proposed that new accommodation will not be considered in central business districts and high-cost locations unless there were exceptional circumstances. It stated that occupier departments and offices would have the responsibility to work with the OPW to consolidate existing accommodation and to release surplus space for reallocation to others.
- 6.74** The [Blended Working Policy Framework for Civil Service Organisations](#) was published in March 2022. Among other things,
- it obliged organisations to plan how office space could be best used to enable collaboration and communication among teams
  - it provided that hybrid workers will have no automatic right to a dedicated workstation or single-occupancy office but will have a shared work-space available to them, when attending the office.
- 6.75** In September 2022, the OPW asked departments and offices to identify accommodation which was or might become surplus to requirements, and that may be partly or entirely surrendered back to the OPW. In general, the OPW stated that responses received stressed the need to maintain existing accommodation levels until hybrid working policies become more established.
- 6.76** In November 2023, the OPW again requested departments and offices to review their use of their own accommodation and that of agencies under their remit. While promoting desk/office sharing, the OPW discouraged building-wide ‘anchor days’ as they can reduce the potential efficiencies of hybrid working, in terms of office accommodation. The OPW letter also highlighted the issue of energy efficiency and government targets set out in the *Climate Action Plan*.<sup>1,2</sup>
- 6.77** The OPW stated that responses received generally reinforced the need for high-quality ICT infrastructure to ensure flexibility for a dispersed workforce. It was noted that several organisations had used the transition to hybrid working as a catalyst to reduce the overall footprint occupied by their staff.
- 6.78** During 2023, the OPW began a new programme of occupancy surveys to identify how space is being used by clients since the widespread adoption of blended working and how it might be better used.<sup>3</sup> The purpose was to gather high-level information to allow the OPW to engage actively with its clients regarding current and future accommodation requirements.
- 6.79** The first surveys, completed during 2023 and 2024, covered 20 of 146 buildings located outside Dublin, spanning over 66,000 m<sup>2</sup> in total. The surveys found a number of buildings with relatively low desk occupancy on the single day visited. Overall, 29% of desks were occupied with 71% unoccupied. It also found that in aggregate, there was the potential to add up to 30% more desks in the premises visited (before considering the mechanical, electrical and fire implications).
- 6.80** A second series of surveys, completed over 2024 and 2025, focused on around 47 offices in Dublin city centre from a total of 219, amounting to approximately 137,000 m<sup>2</sup>. Overall, the average desk occupancy was reported to be 45%.<sup>4</sup> For seven buildings, the occupancy rate was in excess of 65% (the OPW reports international best practice would suggest rates of at least 60%). In aggregate, it was estimated that there was potential for 15% more desks in the offices visited (subject to considering mechanical, electrical and fire implications and value for money).

1 The targets underlined by the OPW as impacting how the Civil Service procures, designs and operates buildings are the target to improve energy efficiency by 50% by 2030 and the target to reduce greenhouse gas emissions by 51% by 2030.

2 Ireland’s first [Climate Action Plan](#) was launched in June 2019. The plan has been updated on a number of occasions. The current plan is the *Climate Action Plan 2025* (published April 2025).

3 As well as looking at occupancy (how many desks were occupied when visited) the survey considered optimisation (how many desks could potentially be accommodated in the space).

4 Each building was surveyed on two days during the working week (except Friday) between November 2024 and April 2025 (excluding the weeks around Christmas and Easter).

- 6.81** The UK Cabinet Office publishes monthly average building occupancy rates for departmental headquarters. The latest available occupancy rates (for June 2025) range from 59% in two offices to 100% in the Department for Energy Security and Net Zero.<sup>1</sup>
- 6.82** A January 2025 circular issued by the Department of Public Expenditure sets out procedures for the management and maintenance of accommodation provided by the OPW.<sup>2</sup> In terms of managing accommodation, it states that OPW clients must
- be responsible for the day-to-day management and efficient use of space allocated
  - advise the OPW if space is underused and proactively engage with the OPW on the reallocation of space for alternative purposes
  - share facilities (e.g. conference rooms) with other government departments/offices and State agencies if capacity allows
  - engage with the OPW regarding alternative uses of property, for external purposes as required
  - submit an annual return to the OPW with occupant numbers, use and functions in their allocated space, and
  - adhere to the principles, roles and responsibilities as outlined in the OPW's accommodation guidelines.
- 6.83** As of August 2025, the OPW has yet to finalise the reporting mechanism or format for the annual returns envisaged under the circular. It stated that it plans to finalise the annual return process by the end of 2025. Detailed accommodation guidelines issued alongside the circular set out
- guidance for clients in conducting an assessment of their current and emerging accommodation requirements
  - roles and responsibilities in delivering office accommodation and for maintenance services, environmental, health and safety, building related risks and fire safety.

<sup>1</sup> [UK Cabinet Office: Monthly average HQ building occupancy.](#)

The data presented is sourced and collected by the departments and provided to the Cabinet Office.

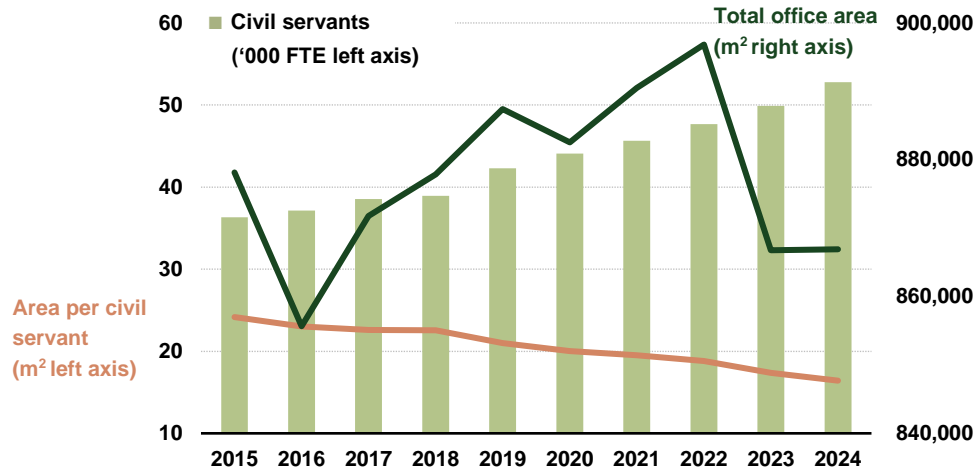
<sup>2</sup> [Circular 1/2025: Management and Maintenance of Accommodation in Government Departments, Offices, Certain State Agencies and Cultural Institutions.](#)

<sup>3</sup> [OPW Property Asset Management Development Plan,](#) July 2013.

<sup>4</sup> [OPW Capacity and Capability review of the Estate Portfolio Management Function,](#) April 2014.

### ***Office space per civil servant***

- 6.84** In 2013, the OPW published a property asset management delivery plan, in response to the 2011 Government Reform Programme which required the OPW to set out targets for space norms for the Civil Service.<sup>3</sup>
- 6.85** In 2014, the OPW published a capacity and capability review of its estate portfolio management function.<sup>4</sup> The report set a target for the OPW to achieve a space allocation of approximately 12 m<sup>2</sup> per staff member. (The report referenced a UK target to reduce the space allocation per person from 13 m<sup>2</sup> to 10 m<sup>2</sup>.)
- 6.86** Between 2015 and 2024, the number of full time equivalent (FTE) civil servants employed in Ireland increased by 45% to nearly 52,800. The total area of office accommodation managed, as reported by the OPW, rose between 2016 and 2022 but has fallen by over 3% since then. The office space per civil servant has decreased significantly from a level of 24.2 m<sup>2</sup> in 2015 to 16.4 m<sup>2</sup> in 2024 (see Figure 6.9).

**Figure 6.9 Office space per civil servant for the period 2015 to 2024**

Source: Office of Public Works

- 6.87** The OPW stated that while the metric of 16.4 m<sup>2</sup> is a useful indicator, it does not account for its diverse accommodation portfolio across a variety of government business functions. The OPW stated that when developing new or refurbishing existing accommodation, it will apply a high-level allocation target of 12 m<sup>2</sup> net internal floor area per workstation.

### **Office space vacancy**

- 6.88** At the Government Offices in Dundalk, the examination team noted that some office space had recently been surrendered by the Office of the Revenue Commissioners to the OPW and had been allocated for use by other departments and An Garda Síochána. The OPW informed the examination team that Revenue has surrendered office space in a total of 16 locations since the start of 2022.
- 6.89** The National Shared Services Office informed the team during an examination site visit that it has also recently surrendered office space to the OPW. The OPW has stated that this space is under active consideration for another client.
- 6.90** The OPW stated that it continually engages with client organisations to understand emerging accommodation needs. It stated that a key feature of this interaction is to differentiate between client 'wishes' and 'needs' which helps to determine actual requirements. In some cases, where no suitable accommodation was identified within the OPW portfolio, client organisations have gone directly to the private market to source accommodation.

### **Impairment of asset value**

- 6.91** Impairment is an accounting concept whereby the holding value of an asset may be reduced if it is no longer in full use or no longer delivering the benefits anticipated. Annual impairment reviews are a requirement of central government accounting standards, effective for annual financial statements for periods commencing on or after 1 January 2024.<sup>1</sup>

<sup>1</sup> [CGAS 21 Impairment of non-cash generating assets](#) and [CGAS 26 Impairment of cash generating assets](#) Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation.

- 6.92** The OPW has obtained a temporary derogation from the requirement to carry out impairment reviews due to the size and complexity of its asset portfolio and the absence of up-to-date fair values for a complete subclass of assets. The OPW informed the examination team that it is progressing a revaluation review project looking at historic carrying values of properties that it owns and controls.

## Conclusions and recommendations

### *Data quality*

- 6.93** The OPW is responsible for, *inter alia*, managing and maintaining the State's accommodation portfolio which includes around 535 office buildings.
- 6.94** To effectively manage a property estate on this scale, it is necessary to have complete and accurate data on each building. The OPW uses a combined database to record property details and manage payments in relation to office accommodation, both owned and leased. Several errors and inconsistencies were noted in respect of the database. This included 68 of 595 property listings being recorded on the database as having areas of either zero or 1 m<sup>2</sup>; 44 of 270 owned buildings recorded with identical gross and usable areas; and no documentation available to verify the sizes of buildings recorded in the database in five of eight sample cases. It was not possible to reconcile information on the database with the buildings on the ground at some of the locations visited by the examination team.
- 6.95** The OPW does not currently record fire safety information (e.g. service reports or fire alarm reports) in the database. It stated that it currently manages its responsibility for fire safety through a separate process but is exploring measures to activate this functionality in the database.

### Recommendation 6.1

The OPW should take steps to ensure it maintains a property database that is accurate and up-to-date and should explore the potential for the database to record key legal requirements such as fire safety.

#### **Accounting Officer's response**

Agreed.

The OPW manages an estate of around 2,500 properties, including over 500 offices for civil servants. These 500 offices generate over 11,000 records relating to the tenure of the building which excludes maintenance records and associated documents. The OPW currently has an existing functional property database that records information in relation to the owned and leased office accommodation portfolio, which includes facilitating the payment of rent by the OPW.

The property management element of this database went live in 2022 and this transition to the current system afforded the opportunity to include additional functionality and data fields. Additional functionality will be activated in line with available data and resources.

Although the report highlights some anomalies in data, I can confirm that this has had a negligible impact on the operation and management of the overall estate and there are no financial implications for the State arising from any data anomalies identified as part of this audit.

The OPW is prioritising a review of all office records to ensure the accuracy of the key information is recorded centrally on Tririga by (i) conducting a verification exercise of legacy records as identified by the examination team; and (ii) a broader review of the owned and leased office data during 2026.

The OPW is managing its obligations pertaining to its responsibility for fire safety through the relevant business unit. The OPW is actively exploring ways to supplement the existing process of managing relevant fire safety information pertaining to the OPW's responsibility through further integration with the existing Tririga system. This will be further scoped by the relevant business units in 2026.

#### **Timeline for implementation**

End of 2026.

#### ***Lease costs***

- 6.96** The OPW's total operating lease expenditure for 2024 was €122 million (including VAT and minor expenses). At the end of 2024, the OPW's total commitments in relation to office accommodation leases were estimated at €1 billion.
- 6.97** The property with the second highest rent expenditure in 2024 (€10 million) — the Distillers Building in Dublin 7 — is classified as being 'reserved' (i.e. allocated but currently unoccupied) on the OPW database. The lease term commenced in July 2022, and since the expiry of a rent-free period in March 2024, the OPW has paid rent totalling €12 million (excluding VAT) up to the end of September 2025. The OPW has stated that it expects the building to be ready for occupation by September 2025.

#### ***Office acquisitions and disposals***

- 6.98** Of 61 leases that expired during the 2022 – 2024 period, the OPW stated that it is still considering whether to retain the property in 28 cases. In 26 of those cases, the OPW is continuing to pay rent on property for which the lease term has expired, but where its clients are still in occupation under an implied or periodic tenancy.
- 6.99** Break clauses in lease agreements afford tenants the option to terminate a lease before the end of the contract term. To use them optimally, there needs to be long-term planning and timely consultation with occupiers about what are their accommodation needs and priorities.
- 6.100** There were 62 OPW leases with break clauses that could have been activated during the 2022 – 2024 period. None of the break clauses were activated. In one case selected by the examination team for review, the OPW was unable to provide any evidence that activating the break clause had been considered despite receiving correspondence from one of the occupants that it had an imminent and critical need to relocate.

**Recommendation 6.2**

The OPW should undertake appropriate appraisals and formally record decisions made regarding lease break clauses, as they arise. Client views and concerns should be recorded and factored into lease break clause decisions.

**Accounting Officer's response**

Agreed.

The main financial benefits associated with triggering a lease break is when the accommodation is no longer required or when alternative accommodation can be provided from within the existing portfolio without the need to acquire additional space and incur additional rental and fit-out costs.

The OPW takes its decision on whether or not to avail of lease breaks based on the overall accommodation need of clients; long term ongoing needs of clients in the particular lease; and prevailing market conditions. Much of this is done through normal and ongoing client interactions by the team in OPW Property Management.

Notwithstanding the OPW's directive role in the area of office accommodation, the OPW always considers client views when making decisions on lease breaks. However, this has to be balanced against the overall usage of the portfolio, the stability of client operations, availability/cost of alternatives, associated delivery times, and wider value for money considerations.

The OPW accepts that it should more formally record its decision-making processes regarding lease break events.

**Timeline for implementation**

Q2 2026.

- 6.101** Circular 17/2016: *Policy for Property Acquisition and for Disposal of Surplus Property* introduced by the Department of Public Expenditure requires lease agreements with terms exceeding ten years to include a tenant-only break clause at the end of the tenth year. The examination team noted both examples in a sample of two lease renewal/acquisition cases where leases put in place since 2016 do not have a tenant-only break clause at the end of the tenth year.

**Recommendation 6.3**

The OPW should acknowledge and document any significant departures from obligations under circulars in force in relation to property acquisition and disposal. The matters recorded should include the reasons for any non-compliance.

**Accounting Officer's response**

Agreed.

Although the circular is considered to be high-level guidance only, I can confirm that this recommendation will be incorporated into all approvals for new leases within the Property Management Section of the OPW.

### Timeline for implementation

Q4 2025.

- 6.102** A statutory provision in force since 2014 states that a public body shall not purchase or lease a building, or a portion of a building, for its own use unless it has a building energy rating (BER) of A3 or higher. There are certain exemptions to this requirement that a public body may decide to invoke, including for example where it intends to bring the building to an A3 rating within three years of occupation.
- 6.103** The examination team noted a number of examples where the OPW has purchased or leased a building with a BER of lower than A3 and has not yet brought the building to BER A3. The OPW stated that in those cases, it has invoked the exemption whereby it established that no alternative building, rated A3 or higher, was available that was satisfactory in terms of location, size, specification or price. An intention to invoke this exemption was not documented as part of the appraisal process in the cases noted by the examination team.

### Recommendation 6.4

The OPW should acknowledge and document any non-compliance with the energy rating obligations imposed by SI 426/2014 *European Union (Energy Efficiency) Regulations 2014* regarding the purchase or lease of buildings. Where the energy rating upgrading exemption is availed of, the sanction sought for the acquisition should indicate the planned upgrading timetable and expected cost. The expected cost of energy upgrading should be included in the cost-benefit analysis underpinning the sanction request.

### Accounting Officer's response

Agreed.

I can confirm that OPW operates in compliance with the obligations as set out under Section 8 of SI 426/2014.

The OPW will strengthen the process for future acquisitions with regard to whether specific exemptions under SI426/2014 are considered relevant. The OPW will document this as part of the sanction process. The OPW will continue to take an overall portfolio approach in relation to which buildings to prioritise for energy upgrades.

The OPW will continue to incorporate the cost of energy upgrading into relevant submissions as part of the approvals process for new office accommodation.

### Timeline for implementation

Q4 2025.

- 6.104** The OPW entered into a lease agreement on a building in Bishop's Square, Dublin, in May 2019. Due to delays with fit-out works, the intended tenant — the Department of Foreign Affairs and Trade — did not occupy the building until May 2024. Total rent of €7.9 million (excluding VAT) was paid in respect of the period before the building was occupied.

- 6.105** The OPW purchased Trinity Point for €39.85 million (excluding VAT) in December 2023. As of end May 2025, the first floor of the building remained vacant. The OPW has stated that the first floor has now been allocated to a client who is in the process of occupying the space. Planned works to improve the energy rating of the building have not been carried out to date.

### **Space requirements**

- 6.106** Since 2020, more flexible working arrangements, including hybrid working models, have become commonplace in the public sector. This shift has implications for office accommodation requirements. The OPW has engaged regularly with departments and offices requesting them to review their use of space and seeking to identify surplus accommodation that could be handed back to the OPW.
- 6.107** Circular 1/2025 codifies the arrangements in place between the OPW and its clients for the management and efficient use of space. It puts the onus on clients of the OPW to identify underused space and to actively engage with the OPW on the reallocation of accommodation. It also requires clients to submit an annual return to the OPW with occupant numbers, use and functions in their allocated space. As of end August 2025, the OPW has yet to finalise the format or reporting mechanism for the annual returns envisaged under the circular.
- 6.108** The examination team noted that several clients have surrendered office space to the OPW in recent years.
- 6.109** Between 2015 and 2024, the number of full time equivalent (FTE) civil servants employed in Ireland increased by 45%. The total area of office accommodation managed, as reported by the OPW, decreased by 1% in the same period. The office space per civil servant has decreased significantly from a level of 24.2 m<sup>2</sup> in 2015 to 16.4 m<sup>2</sup> in 2024. This is about one third higher than the 12 m<sup>2</sup> indicated as a general target by the OPW in 2014.
- 6.110** The OPW stated that when developing new or refurbishing existing accommodation, it will apply a high-level allocation target of 12 m<sup>2</sup> net internal floor area per workstation.

### **Recommendation 6.5**

The OPW should report publicly on the utilisation of its portfolio of office accommodation. The report should take account of information in annual returns received from clients, as required under circular 1/2025. This should commence with a report on the 2026 results, to be published during 2027.

#### **Accounting Officer's response**

Agreed.

The OPW's ability to publish meaningful information on this will require a consistent approach by the OPW's client base.

The Department of Public Expenditure circular 1/2025 puts an onus on clients to report on utilisation, and the OPW is in the process of finalising the form of the return which will be issued to clients in Q3 2025.

The OPW will assess the responses from 2025 in terms of data maturity and consistency. Subject to the refinement of the process, and consultation with the OPW client base, the OPW will seek to publish information in 2027, or as soon as meaningful and comparable information is available in a consistent manner.

This will be done in consultation with the Civil Service Management Board.

**Timeline for implementation**

Q2 2027.

## 7 Errors in public service pay and pensions administration

- 7.1** The National Shared Services Office (NSSO) was set up in 2014 as an administrative office within the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (Department of Public Expenditure). In January 2018, the NSSO formally became a new separate civil service office with its own vote accounting officer.
- 7.2** The NSSO has responsibility for delivering certain common corporate services – the shared services — on an agency basis, primarily for government departments. As part of this, it provides human resources and payroll shared services to around 60 client bodies.<sup>1</sup> These services include pensions administration and pension payments.
- 7.3** The NSSO enters into a service agreement with each client body which specifies the terms and conditions underpinning the shared services to be provided. This agreement sets out, *inter alia*, that the NSSO undertakes to process all transactions communicated to it by the client body.
- 7.4** Financial transactions processed by the NSSO as an agent on behalf of a client body are reflected in the client body's annual accounts/financial statements. Consequently, responsibility and accountability for the transactions, including compliance with the relevant government policies and procedures, ultimately rests with each client body.
- 7.5** The NSSO engages independent auditors annually to provide formal assurance on the operation of its controls.<sup>2</sup> The NSSO issues a letter to each of the client bodies availing of its services, on foot of the results of the assurance audits. Client bodies rely on this letter for assurance that appropriate controls are exercised by the NSSO in the provision of shared services.
- 7.6** Pension and retirement lump sum costs for civil servants and related personnel are charged centrally to Vote 12 Superannuation and Retired Allowances (Vote 12). The Vote is managed and accounted for by the Department of Public Expenditure, which also controls public sector pension policy and supports the administration of civil service pension schemes. The NSSO commenced the provision of shared services pensions administration on behalf of Vote 12 in December 2015.
- 7.7** The aggregate value of pension payments administered through Vote 12 in 2024 was €871 million. Education and training sector pensions administered by the NSSO in 2024 amounted to an additional €346 million.<sup>3</sup>

<sup>1</sup> This includes central government departments and offices and other public service bodies availing of shared services. The NSSO also provides pensions administration services for several publicly funded second level education and higher and further education bodies.

<sup>2</sup> The audits are undertaken in accordance with the International Standards on Assurance Engagements (ISAE 3402) *Assurance Reports on Controls at a Service Organisation*.

<sup>3</sup> This relates to education and training boards, technological universities and institutes of technology.

## Focus of the examination

- 7.8** This examination was undertaken to review the circumstances that gave rise to failures in the controls operated by the NSSO in respect of three non-standard categories of pay and pension cases. The failures were identified by the NSSO in 2024 and 2025 in a range of circumstances. The failings related to
- tax liabilities on high-value pensions not being applied or not being discharged in the required manner
  - miscalculation of some ministerial pension contributions, additional superannuation contributions and salary gifting
  - miscalculation of retirement benefits paid to some former civil servants who had worked on a part-time basis for a period during their careers.
- 7.9** The examination team reviewed documentation and issued formal audit queries to the NSSO, the Department of Public Expenditure and the Department of Finance. The examination team also interviewed relevant staff in the NSSO and conducted an onsite walkthrough of the NSSO's pension starter controls.
- 7.10** The issues examined are distinct, and so the findings are presented in three sections.

## A. Taxation of high-value pensions

- 7.11** Under tax law, an individual is entitled to receive a tax-free lifetime amount of up to €200,000 in retirement lump sums from all sources. Aggregated lump sum amounts between €200,001 and €500,000 are subject to withholding tax (WHT) at the standard income tax rate (20%). Amounts above €500,000 are taxed at a rate of 40% (the higher income tax rate).
- 7.12** Separately, chargeable excess tax (CET) is provided for under tax law.<sup>1</sup> Retiring individuals become liable for CET on the cumulative (estimated) value of their lifetime pension benefits (including lump sum amounts) over the statutory 'standard fund threshold' (SFT). The current SFT, in place since 1 January 2014, is €2 million.<sup>2</sup> The excess amount is liable for CET at 40%.

### *Calculation of CET*

- 7.13** The CET calculation for public sector pensions can be complex. Cumulative retirement benefits include both private and public service pension schemes within the State accruing to an individual on retirement.
- 7.14** No reliefs, allowances or deductions can be offset against the CET liability. However, any WHT paid by an individual on a retirement lump sum payment(s) may be offset against the CET liability.
- 7.15** Calculation methods for the estimated value of pension benefits include a multiplier used to value the future stream of pension payments i.e. annualised pension at the date of retirement times the multiplier. The value of the multiplier changed on 1 January 2014 from a flat rate to an age-related multiplier. Since that date
- pension benefits accrued prior to 2014 are calculated using a standard multiplier of 20
  - pensions accrued from 2014 to the date of retirement are calculated using an age-related multiplier.
- 7.16** Figure 7.1 presents an illustrative example of how CET is calculated.

<sup>1</sup> CET is provided for under part 30, chapter 2C of the Taxes Consolidation Act 1997 (TCA 1997) which was introduced in 2006 by the insertion of sections 787O to 787U and schedule 23B.

<sup>2</sup> The SFT was set at €5 million on introduction. It was reduced to €2.3 million with effect from 7 December 2010 and further reduced to €2 million with effect from 1 January 2014. The Finance Act 2024 provides for a phased increase to €2.8 million in the value of the SFT between 2026 and 2029.

**Figure 7.1 Calculation of chargeable excess tax — illustrative example**

CET example working		Age-related factor table	
<b>Civil servant retires on 2 October 2024 aged 60 with 40 years' service</b>		<b>Age at retirement</b>	<b>Relevant age-related factor</b>
	€	Up to/including 50	37
<b>Pensionable remuneration on 2 October 2024<sup>a</sup></b>	<b>180,000</b>	51	36
<b>Annual pension calculated on 2 October 2024</b>	<b>90,000</b>	52	36
<b>Lump sum calculated on 2 October 2024</b>	<b>270,000</b>	53	35
		54	34
<b>Accrued pension</b>	€	55	33
To 1 January 2014 <sup>b</sup>	57,769	56	33
x factor 20	<b>1,155,380</b>	57	32
		58	31
From 1 January 2014	32,231	59	30
x age-related factor 30	<b>966,930</b>	<b>60</b>	<b>30</b>
	<b>90,000</b>	61	29
<b>Lump sum on retirement</b>	<b>270,000</b>	62	28
<b>Total capital value on 2 October 2024</b>	<b>2,392,310</b>	63	27
Less: standard fund threshold (SFT)	(2,000,000)	64	27
<b>Chargeable excess</b>	<b>392,310</b>	65	26
CET @ 40%	156,924	66	25
Less: Withholding tax paid on excess lump sum*	(14,000)	67	24
<b>CET liability due (within three months)</b>	<b>142,924</b>	68	24
		69	23
		70 and over	22

\* Withholding tax: (lump sum 270,000 – 200,000) x 20% = 14,000<sup>c</sup>

Source: Office of the Comptroller and Auditor General

- Notes:
- a This amount is used for illustrative purposes only.
  - b The accrued pension to 1 January 2014 is based on a notional salary of €158,000 as of that date and accrued service of 29.25 years.
  - c €200,000 represents the tax-free limit applicable to lump sums on retirement.

### ***Payment of CET***

- 7.17** The pension administrator is obliged, under tax law, to pay the CET liability in full to the Office of the Revenue Commissioners (Revenue) on behalf of the retiree within three months of the person retiring. The NSSO, as pension administrator, processes the CET payment on behalf of its client bodies.<sup>1</sup>
- 7.18** For retiring public servants, the pension administrator recovers the CET amount paid on behalf of the pensioner by either
- full reimbursement from the individual at the time of retirement, or
  - reducing the individual's gross pension payable over a period not exceeding 20 years.<sup>2</sup>
- 7.19** The latter option is effectively an instalment arrangement, by way of a reduction in the gross pension payable to the individual — there is no transfer of funds involved. Consequently, the relevant public service body does not recognise income for the recovery of the CET in its annual appropriation account/financial statements. If the individual dies before the CET is fully recovered, the pension stops and the outstanding tax debt is written off.

### ***Non-payment of CET liabilities to Revenue***

- 7.20** The audit of the 2023 appropriation account for Vote 12 identified that the NSSO had underpaid Revenue amounts of CET liabilities in respect of persons availing of the option to pay the CET liability over 20 years. While the pension reductions had been applied properly, the corresponding CET liability had not been paid to Revenue. The amount of the underpayment was estimated at €2.3 million.<sup>3</sup>
- 7.21** In response to the audit's finding, the NSSO undertook a comprehensive review in July 2024 of the records for 26 retirees, over the period 2015 to July 2024, availing of the option to pay their CET liability through a reduced pension. The review found that CET payments totalling €1.4 million had been made to Revenue for just ten of these retirees.
- 7.22** Following the review, the Department of Public Expenditure made an unprompted voluntary disclosure to Revenue — from Vote 12 — of just over €2.3 million for its underpayment of CET on behalf of 15 retirees in the period 2015 to 2023. This amount was paid in 2024, together with a late interest payment of almost €470,000. A separate CET payment of around €65,000 was also made to Revenue in 2024 related to one retirement in early 2024.
- 7.23** Subsequently, arising from follow-on communications with Revenue, the NSSO identified that it had provided incorrect pension valuation information in respect of one case to Revenue. The retiree in that case has an additional CET liability which is currently being verified with the relevant local HR unit.

<sup>1</sup> The NSSO does not act as pension administrator for all public bodies. It does not administer pensions for the Defence Forces; An Garda Síochána; or the Irish Prison Service. Similarly, it does not act as administrator for ministerial and judicial pensions.

<sup>2</sup> Reimbursement options for public sector pension arrangements were introduced in the Finance Act 2012 and amended in the [Finance \(No. 2\) Act 2013](#). The latter introduced the post-retirement repayment option of up to 20 years for CET due.

<sup>3</sup> See detailed disclosure in the statement on internal financial control presented with the [2023 appropriation account for Vote 12 Superannuation and Retired Allowances](#).

### **Review of judicial pensions**

- 7.24** Judicial pensions are not paid through Vote 12. As provided for by law, they are paid directly from the Exchequer and are accounted for in the annual Finance Accounts. The Department of Finance is responsible for preparing the Finance Accounts. However, the Department of Public Expenditure is responsible for the administration of judiciary pensions, including issuing the payment instructions.<sup>1,2</sup>
- 7.25** In July 2024, the NSSO also reviewed the cases of retired judges who had availed of the option to pay their CET liability through reduced pensions.<sup>3</sup> The scope of the review covered the pensions of 26 judicial retirements between 2020 and July 2024.
- 7.26** The review identified that, while the pensions put into payment had been appropriately reduced, payment of CET and WHT relating to three former members of the judiciary had not been made to Revenue. On identification of the error, the Department of Finance (on instruction from the Department of Public Expenditure) made a payment to Revenue in 2024 totalling €248,000.<sup>4</sup> Interest on the late payment of €28,000 was paid through Vote 12. The Department of Public Expenditure stated that the interest was paid through this vote as there is no legal basis permitting its payment directly from the Exchequer.

### **Non-calculation of CET liabilities**

- 7.27** In early March 2025, Revenue sought CET records and related calculations for 17 named retirees from the Department of Public Expenditure.<sup>5</sup>
- The Department of Public Expenditure submitted the requested information for 7 of the 17 retirees to Revenue. The Department has stated that Revenue's review of these cases is ongoing.
  - The NSSO undertook an investigation of the other ten retirees who fell under its administration. It identified that a CET calculation had not been performed for six of the ten retirees at the point of retirement. It found that each of the six cases had exceeded the SFT at retirement, and consequently, a CET liability existed in respect of those cases.<sup>6</sup> It provided the records for the remaining four retirees to Revenue.
- 7.28** In March 2025, the NSSO commenced a review of retirements at Principal Officer and higher grades to examine whether CET and WHT liabilities that were due on retirement were charged to the retiree and paid to Revenue within the requisite timeframe. The review covered approximately 1,300 retirements over the period 2015 to 10 July 2025. In May 2025, the NSSO extended the review to include an additional 1,500 retirements at Assistant Principal grade over the same period. The NSSO has stated that it expects that the review of retirements at Assistant Principal grade will be completed by October 2025.

1 This is provided for under section 9(1)(a)(iv)(IV) of the Ministers and Secretaries Amendment Act 2011.

2 The NSSO only processes the instructions for the payment of these pensions.

3 This review was prompted by the CET issues arising on Vote 12.

4 The late payment is disclosed in the 2024 Finance Accounts.

5 The request for records arose in response to Revenue's review of the Department of Public Expenditure's voluntary disclosure in 2024.

6 The investigation noted that WHT liabilities for each of the six cases had been calculated at retirement and paid to Revenue within the required timeframe.

### **Financial implications**

- 7.29** Since Revenue's enquiry in March 2025, the initial findings from the NSSO's review of the circa 2,800 retirements have identified that a small number of retirees have an outstanding CET liability and/or a WHT liability.
- 7.30** As of 10 July 2025, the NSSO has determined liabilities for 19 cases where the SFT was exceeded on retirement, but CET calculations were not undertaken. Each case was verified with the Department of Public Expenditure's actuarial unit. Most of the cases involved retirements occurring in 2022 and 2023. The individual liabilities determined range from less than €300 to over €211,000. The total amount owed to Revenue in respect of these cases is determined to be just under €1.43 million (see Figure 7.2).

**Figure 7.2 Number and value of CET liabilities determined, by year of retirement, as at 10 July 2025**

<b>Year of retirement</b>	<b>Number of cases<sup>a,b</sup></b>	<b>Value of liability</b> €
2017	1	5,074
2022	6	327,005
2023	12	1,094,719
<b>Total</b>	<b>19</b>	<b>1,426,798</b>

Source: National Shared Services Office. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a The 19 cases include 6 cases identified by the NSSO on foot of Revenue's enquiry in March 2025.
  - b Three cases identified for CET liabilities have also been identified for WHT liabilities.

- 7.31** As part of the same review, the NSSO has also identified 19 cases where WHT liabilities were not paid to Revenue. The NSSO has stated that this was mainly due to
- WHT not being calculated at the time of retirement
  - WHT deducted from the lump sum on retirement but not paid over to Revenue
  - the omission of private pension fund lump sum amounts when calculating the lifetime lump sum receipts at the date of retirement.
- 7.32** The WHT liabilities range from €70 to over €22,000. The total amount owed to Revenue for these 19 cases is around €85,000 (see Figure 7.3).
- 7.33** The associated grades for the retirees identified with CET and/or WHT liabilities are — Secretary General; Deputy Secretary; Assistant Secretary; Principal Officer; Assistant Principal Officer; and two other specialised posts.

**Figure 7.3 Number and value of WHT liabilities determined, by year of retirement, as at 10 July 2025**

Year of retirement	Number of cases <sup>a</sup>	Value of liability €
2016 – 2019	3	3,847
2021	5	19,959
2022	5	10,620
2023	5	27,807
2024	1	22,319
<b>Total</b>	<b>19</b>	<b>84,552</b>

Source: National Shared Services Office. Analysis by the Office of the Comptroller and Auditor General.

Note: a Three of the cases identified for WHT liabilities have also been identified for CET liabilities.

#### *Repayment arrangements of cases determined*

#### **7.34** The Department of Public Expenditure has instructed the NSSO

- that outstanding CET liabilities should not be paid to Revenue until an agreed recoupment plan is in place with the relevant retiree and<sup>1</sup>
- to pay any interest and penalties associated with outstanding CET and WHT liabilities from the NSSO's own vote — Vote 18.

#### **7.35** The NSSO stated that engagement has commenced with the 19 retirees with a CET liability to put recoupment arrangements in place. As of 10 July 2025

- seven retirees had entered agreements to repay their CET liabilities by way of deduction from their pension over 20 years<sup>2</sup>
- another retiree had fully repaid the CET liability (€276).

#### **7.36** On foot of these agreements, Vote 12 has paid eight CET liabilities totalling around €484,000 to Revenue. The associated interest of around €81,000 and penalties of €24,000 have been charged to Vote 18.

<sup>1</sup> This instruction did not cover the payment of the WHT liabilities.

#### **7.37** Vote 12 also paid 15 WHT liabilities totalling around €53,000 to Revenue. The associated interest of around €13,000 has been charged to Vote 18. Penalties do not apply to the late payment of WHT.

<sup>2</sup> The commencement of the 20-year duration will be backdated, in each case, to the retirement date.

#### **7.38** The examination team noted that the WHT payments to Revenue were made in the absence of formal repayment arrangements being in place with the relevant retirees. However, the Department of Public Expenditure informed the examination team that the recoupment of WHT is provided for within legislation.<sup>3</sup>

<sup>3</sup> This is provided for in Section 790AA(6)(b)(ii), as amended, of the TCA 1997.

### **Revenue audit**

- 7.39** The NSSO informed Revenue in May 2025 that it intended to make a full voluntary disclosure on all cases identified with a CET and/or WHT liability arising from its reviews.
- 7.40** However, in June 2025, Revenue informed the NSSO that it had been selected for a Revenue audit of CET and WHT covering the period 2015 to date.<sup>1</sup> Any findings and potential liabilities arising from Revenue's audit have yet to be determined as the audit is ongoing.

### **Lapse in controls**

- 7.41** Retiring individuals are required to provide timely notice of their retirement to their local HR and/or to the NSSO. Once notification is received from a retiring individual, the NSSO processes the case in consultation with the retiree's local HR and, where a CET liability arises, the Department of Public Expenditure.
- 7.42** The NSSO has a 19-step process for the review and payment of pensions and related taxes when transferring retirees from their current payroll to a pension payroll.<sup>2</sup> Payments of CET by the NSSO to Revenue are manual pay overs and are not integrated with the NSSO's payroll system. In mid-2024, the NSSO identified that one step (step 14) in its process to instruct the payment of CET to Revenue was often omitted.<sup>3</sup>
- 7.43** Subsequently in 2025, the NSSO also identified that, in some cases, step 12 in its process to instruct the payment to Revenue of WHT deducted from retirement lump sums was also omitted.
- 7.44** Separately, in March 2025, the NSSO identified that step 4 in its process, instructing the CET calculation, was required to occur only for Secretary General grades, their equivalent and above.<sup>4</sup> Retirements at lower grades, for example, Assistant Secretary level, Principal Officer grade or equivalent, were not examined by the NSSO for a potential CET liability. The examination team noted that there is no 'trigger' in the NSSO's system to prompt the review of other grades. Step 4 in its (19-step) process is dependent on the manual identification of an individual requiring a CET calculation on retirement.
- 7.45** The NSSO stated that potential CET liabilities were not calculated for other grades as it had been assumed that their cumulative pension entitlement would not exceed the SFT. The NSSO had not considered, for these grades, the impact of
- subsequent pay increases
  - the change in the CET calculation method from 2014 (i.e. the age factor), and
  - (some) public servants also having private pensions.
- 7.46** Furthermore, the review of CET undertaken by the NSSO in 2024 was confined to whether all CET amounts calculated had been paid over to Revenue. The review did not consider whether CET had been calculated in the first instance.

<sup>1</sup> The Revenue audit commenced in July 2025. This means that the NSSO can no longer avail of the option to make a prompted qualifying disclosure.

<sup>2</sup> The NSSO's pension starter and 19-step pension process is detailed at Annex 7A.

<sup>3</sup> The NSSO identified the missing step on review of 26 retirement cases, in response to the Comptroller and Auditor General's 2023 audit finding on the underpayment of CET liabilities to Revenue.

<sup>4</sup> This was identified by the NSSO in response to correspondence received from Revenue in March 2025.

- 7.47** The NSSO also identified in 2025 that, in some cases, step 3 in its process, to calculate WHT on retirement lump sums, was omitted. This was due to an oversight where lifetime lump sums received were not considered when calculating the overall value of the lump sum excess.
- 7.48** The NSSO stated that new controls have been put in place including access for the Department of Public Expenditure to CET and WHT payment data on a real-time basis and a newly-formed centralised team for the transacting and payment of CET and WHT. It also stated that, since August 2025, all retirees regardless of their grade are now checked for CET and WHT liabilities. Training of NSSO staff on the transacting and payment of CET and WHT has also commenced.

## B. Ministerial pensions, additional superannuation contributions and salary sacrifice/gifting

- 7.49** Members of the Dáil (Teachtaí Dála/TDs) receive salaries in respect of their membership which are administered by the Houses of the Oireachtas.
- 7.50** TDs who are appointed as government office holders — Taoiseach, Tánaiste, ministers of the Government and Ministers of State — also receive an additional allowance. These allowances are paid by the Department to which the office holder is assigned, and the employment is considered a subsidiary employment.<sup>1</sup> The NSSO processes the payment of these ‘ministerial’ allowances on behalf of the respective government departments.
- 7.51** There are two pension schemes in operation for TDs.
- The *Houses of the Oireachtas (Members) Pension Scheme*, also known as the Members’ Pension Scheme (applicable to TDs first appointed pre-2013).
  - The *Single Public Service Pension Scheme*, also known as the ‘Single Scheme’ (applicable to TDs first appointed on or after 1 January 2013).
- 7.52** The pension benefits in the single scheme are based on career average pensionable remuneration. TDs contribute at a rate of 13% of their pensionable remuneration towards their retirement benefits.<sup>2</sup> This is often referred to as a ‘fast accrual’ scheme whereby members accrue maximum benefits quicker than standard accrual members, for example, civil servants.<sup>3</sup>
- 7.53** Civil servants contribute towards their retirement benefits to the single scheme at a combined rate of 3% of their gross pensionable remuneration plus 3.5% of their net pensionable remuneration.<sup>4</sup>

### *Misclassification of ministerial pensions*

- 7.54** Following the formation of a new Government in 2025, the NSSO put a central team in place to manage the payroll instructions for incoming ministers. Some ministers had not previously served in a ministerial role, while other former ministers were reappointed, in most cases to a different department.
- 7.55** The NSSO found that the instructions received from ministers’ departments about the relevant pension scheme and associated deductions to be applied were inconsistent. It identified that local departmental HR units were not clear on the correct pension scheme to apply in individual cases. Consequently, some individuals who had previously held office had been placed on an incorrect pension scheme giving rise to under/over pension deductions.
- 7.56** Following enquiries by the NSSO, the relevant departments sought clarification from the Department of Public Expenditure on the matter. In February 2025, the Department of Public Expenditure clarified, by email to each department, that the fast accrual single pension scheme should be applied to ministerial allowances for office holders appointed since 1 January 2013.
- 7.57** On foot of the clarification, the NSSO received revised instructions from local departmental HR units, where relevant. This included instructions for correction of the pension scheme for persons continuing as office holders.

<sup>1</sup> The primary employment of the office holder is as a TD.

<sup>2</sup> This is provided for under the [Public Service Pensions \(Single Scheme and Other Provisions\) Act 2012 \(section 16\)](#).

<sup>3</sup> Fast accrual schemes are also in place for members of the judiciary and for certain other employments, for example, members of An Garda Síochána and prison officers.

<sup>4</sup> Gross pensionable remuneration is an individual’s total basic salary plus any approved pensionable allowances. Net pensionable remuneration is an individual’s gross pensionable remuneration less two times the value of the contributory state pension.

**7.58** As this was identified as a legacy issue, in March 2025, the NSSO undertook an initial review of pension contributions for all 38 currently serving ministers. The review examined current pension scheme instructions and pension scheme instructions for all prior ministerial roles held, dating back to their first ministerial appointment.

### ***Additional superannuation contributions***

**7.59** Additional superannuation contributions (ASCs) are levies paid by public service employees who are members of a public service pension scheme, receive a payment in lieu of pension or an ex-gratia retirement lump sum on their pensionable remuneration. The ASCs are paid in addition to any employee contributions provided for in the relevant pension scheme. ASC receipts are generally retained by the relevant departments and are used to supplement voted funding. In contrast, pension scheme employee contributions payable under the single scheme are remitted to Vote 12.

**7.60** ASCs only apply to employees' gross pensionable remuneration. ASCs are charged at different rates depending on the applicable pension scheme.<sup>1</sup>

**7.61** On foot of the initial review of pension contributions for the current ministers, the NSSO sought clarification from the Department of Public Expenditure on any potential impacts for ASCs.

**7.62** In March 2025, the Department of Public Expenditure issued a briefing document to the NSSO clarifying the pension and ASC requirements for government office holders.

**7.63** On receipt of the briefing document, the NSSO reviewed the amounts paid by serving ministers, dating back to the introduction of ASCs in 2019. It identified both net underpayments and net overpayments by office holders of pension contributions and ASCs.<sup>2</sup>

**7.64** On foot of the anomalies identified, a wider review was undertaken by the NSSO to assess the accuracy of pension and ASC deductions for certain high-ranking officers.<sup>3</sup> This included current serving ministers, former ministers and designated office holders. The review examined deductions in each case since the commencement of the single scheme in 2013 and the introduction of ASCs in 2019.

<sup>1</sup> See the applicable ASC rates at Annex 7B.

<sup>2</sup> The Department of Public Expenditure also requested that the NSSO check another pension cohort while undertaking its review. Similar issues were also identified for this cohort.

<sup>3</sup> The officers covered by the review are listed in sections 20 to 25 of the [Public Service Pensions \(Single Scheme and Other Provisions\) Act 2012](#).

**7.65** The review found that

- some ministers had been assigned to the incorrect pension scheme, or in some instances, there was no pension scheme attached to their ministerial allowance — resulting in incorrect pension deductions (both under and over)
- the allowance for some ministers had been treated as a primary employment and not as a subsidiary employment, with the result that incorrect thresholds were applied in the calculation of their ASC liability — resulting in an under-deduction of ASCs
- some ministers assigned to the Single Pension Scheme should have been placed on the non-contributory pre-2013 scheme — resulting in incorrect over-deduction for pension purposes
- due to being on the incorrect pension scheme, some ministers were assigned an incorrect associated ASC rate — resulting in incorrect ASC deductions (both under and over).

***Salary sacrifice and gifting***

**7.66** A salary sacrifice or gifting arrangement allows individuals to voluntarily surrender a portion of their pay, or allowances, back to the State.

**7.67** In April 2025, on foot of its review of a pension contribution case, the Department of Public Expenditure clarified that pay that is gifted/surrendered voluntarily is subject to ASCs, as pension entitlements accrue on the full pensionable remuneration.<sup>1,2</sup>

**7.68** Following investigation, the NSSO established that its payroll system is configured to treat salary gifting as exempt from ASCs, in a similar way to the travel pass salary sacrifice.<sup>3</sup> The NSSO stated that this was initiated in 2008 in respect of the former pension related deductions.<sup>4</sup> However, under section 29 of the Public Service Pay and Pensions Act 2017 (as amended), all salary gifting/voluntary surrender of pay is deemed pensionable pay and is therefore subject to ASCs since its introduction (in 2019).

**7.69** The treatment of salary gifting as exempt from ASCs has resulted in the underpayment of ASCs by those who have made a salary gifting/voluntary surrender of pay since 2019. On foot of this, the NSSO revisited its earlier reviews of pensions and ASCs to ensure that salary gifting/voluntary surrender of pay was also considered.

1 This clarification was in response to a query raised by the NSSO on the application of ASC to ministerial salary gifting.

2 Salary gifting is not included in the definition of salary sacrifice as provided for in sections 112B and 118B of the TCA 1997.

3 Salary sacrifices for the travel pass scheme and the cycle to work scheme are exempt from ASCs.

4 Pension related deductions were introduced as a temporary measure in 2009 and was charged on all taxable remuneration. ASC replaced the pension related deductions in 2019.

***Financial implications***

**7.70** As of 25 July 2025, the NSSO has established that 81 individuals have been impacted by incorrect pension and ASC deductions (see Figure 7.4).

**7.71** The NSSO has quantified total net underpayments due of almost €353,000. This comprises total net refunds of just over €41,000 overpaid by six individuals, and total net underpayments of around €394,000 for recovery from 75 individuals. Of this amount, 90% relates to ASC underpayments and the balance relates to pension contribution underpayments. Most of the ASC underpayments are due to the misclassification of ASCs from incorrect pension scheme membership instructions and salary gifting. The 81 cases determined range from net refunds of just over €22,000 to net liabilities of just under €35,000.

**7.72** The NSSO stated that, as at 25 July 2025, repayment plans are in place for 12 cases, refunds have been processed for four cases, and one case has been fully repaid. Another 11 cases are in the process of establishing repayment plans. More than half of all payees have yet to be notified of their liability or refund.

**Figure 7.4 Net liability of impacted cases, as at 25 July 2025**

Payee group	Number of cases	Net pension contribution liability/ (refund due) €	Net ASC liability/ (refund due) <sup>a</sup> €	Net liability €
Ministers <sup>b</sup>	32	(7,016)	174,665	167,649
Former ministers <sup>c</sup>	40	8,310	134,921	143,231
Designated office holders	6	35,696	(434)	35,262
Civil servants	2	—	2,372	2,372
Others	1	—	4,209	4,209
<b>Total</b>	<b>81</b>	<b>36,990</b>	<b>315,733</b>	<b>352,723</b>

Source: National Shared Services Office. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a The ASC net liability amount is attributed to the misclassification of ASCs on pensions, gifting, subsidiary employment and incorrect ASC status.
  - b Includes ministers and Ministers of State.
  - c Seven of the former ministers are currently serving TDs.

## C. Part-time allowances on retirement

- 7.73** Under some legacy public service pension schemes, an individual's pension benefits are calculated by reference to their final pensionable remuneration and total reckonable service.
- 7.74** Final pensionable remuneration includes both pensionable salary and certain pensionable emoluments, such as allowances. Some allowances are generally allowable for pension calculation purposes, for example, shift allowance, higher duties allowance and acting up allowance. However, these are subject to confirmation at retirement.
- 7.75** A 'best 3-in-10' method is used to determine the value of variable allowances included in a public servant's final pensionable remuneration.<sup>1</sup> This method averages the allowances from the three consecutive years within the previous ten years that yield the highest allowance amount.
- 7.76** When an individual works part time, a multiplier representing the work pattern is used to determine the pensionable/reckonable service. For example, a 60% part-time work pattern would have a multiplier of 0.6 for the period of their service.
- 7.77** The [Protection of Employees \(Part-Time Work\) Act 2001](#) prescribes how retirement benefits for those in receipt of allowances and who were working part time, work sharing or availing of the shorter working year should be calculated.<sup>2,3</sup> It provides that the notional full-time equivalent (FTE) rate of the allowance at retirement is used for pension calculations, together with the individual's actual service.

<sup>1</sup> See [Circular 10/2008: Public Service Pension Reform: Revised method of reckoning variable pensionable allowances for pension purposes](#).

<sup>2</sup> A work-sharing arrangement is where the duties and pay of one full-time job are divided between two or more part-time employees.

<sup>3</sup> The rules for work-sharing in the civil service are governed by [Circular 12/2013](#). The implementation and operation of the work-sharing arrangements are at the discretion of management.

<sup>4</sup> The clarification was sought by the NSSO following a query raised by a work-sharer in late 2024 on the treatment of a pensionable allowance for retirement benefits.

### **Basic calculation of pensionable remuneration:**

$$\begin{aligned} & (\text{FTE allowance} + \text{FTE salary}) \times \text{reckonable service multiplier} \\ & = \text{pensionable remuneration} \end{aligned}$$

### **Miscalculation of part-time allowances on retirement**

- 7.78** In early 2025, the NSSO identified that its treatment of allowances on retirement was incorrect for some pensioners, following clarification received from the Department of Public Expenditure's pension section.<sup>4</sup>
- 7.79** The NSSO was using a legacy process whereby
- the relevant part-time multiplier was applied to the actual amount paid (based on the 'best 3-in-10' reports which used actual amounts earned and paid), rather than the FTE amount
  - the result was then added to the FTE salary, and
  - the same service multiplier was then applied to the result.
- 7.80** Effectively, the NSSO was applying the part-time multiplier twice to the allowance portion of the pension calculation.

### ***Financial implications***

- 7.81** The NSSO stated that work is ongoing to establish the value of underpayments. Initially, it had identified that approximately 13,000 retirees were in receipt of a pension with an allowance component. However, as of 11 July 2025, indications are that less than 2,000 of these retirees had a part-time history in the ten years prior to their retirement.
- 7.82** The NSSO is also working to identify other cohorts which could be impacted by reduced hours, for example, the shorter working year.
- 7.83** The NSSO has stated that
- since the issue was identified, it now checks all new retirement cases to ensure allowances are correctly reflected in all pensions calculated
  - it is also revising 'best 3-in-10' reports, but that these will require testing
  - it has also commenced manual sampling of actual cases to develop test data that will confirm if its methodology is correct
  - as it only commenced transacting pensions in 2013, any part-time cases prior to this, since the commencement of the Act in 2001, will need to be reviewed by individual departments
  - any revisions arising will then be transacted by the NSSO on instruction from the originating departments.

### **Conclusions**

- 7.84** Public service pension arrangements have evolved over time, with different terms and conditions applying to successive cohorts of entrants, and specific rules governing transfers from one employment category to another. The complexity of the arrangements was added to by the temporary application from 2009 of 'pension related deductions' (in response to the financial crisis), which were replaced in 2019 by 'additional superannuation contributions' payable at variable rates. Pensions and related lump sum payments are also subject to tax, which adds further complexity, especially at the point where pension payment commences.
- 7.85** While the overall pension structure and its taxation is complex, administering it is essentially a technical exercise that is capable of being streamlined efficiently and controlled through effective process design and implementation. For most retirees, the information to be gathered and the matters to be decided are relatively straightforward, and payments are made as provided for by the relevant scheme and in line with the relevant tax law. Where unusual circumstances arise in individual cases, there are mechanisms in place to clarify the policy and legal provisions.

**7.86** Enquiries from a variety of sources in 2024 and 2025 drew the NSSO's attention to errors that had arisen in relation to the pension processing of certain categories of pensioners. In addition, in the course of administering payroll and pension information for outgoing and incoming members of Government, the NSSO identified the previous misapplication of certain provisions of the particular payroll and pensions arrangements for members of Dáil Éireann who are appointed as ministerial office holders, and who are paid a 'ministerial allowance' in addition to their salary as a member of Dáil Éireann.

### ***Chargeable excess tax (CET) and withholding tax (WHT)***

**7.87** The audit of the 2023 appropriation account for Vote 12 identified the underpayment to Revenue of CET liabilities in respect of certain individuals, mainly in the years 2017 to 2023. In those cases, the CET liabilities had been calculated, and the pensions to the retirees had been reduced to pay the liabilities. A voluntary disclosure was made to Revenue in respect of the underpayment, and a payment of €2.3 million to Revenue was charged to Vote 12 in 2024. Related interest of €0.47 million was also paid by Vote 12 in 2024.

**7.88** In 2025, further weaknesses have been identified in the NSSO's processes which has resulted in non-calculation of CET and/or WHT on retirement. By early July 2025, on foot of ongoing reviews, the NSSO and the Department of Public Expenditure had determined 19 cases of non-calculation of CET amounting to €1.4 million and 19 cases of non-calculation of WHT amounting to almost €85,000. In three cases, neither CET nor WHT liabilities had been identified at the time the retirement was initially processed.

**7.89** The Department of Public Expenditure has made payments for 8 of the CET and 15 of the WHT determined liabilities to Revenue, amounting to around €484,000 and €53,000 respectively. Interest and penalties relating to these CET and WHT liabilities of €105,000 and €13,000, respectively, have been paid by the NSSO and charged to Vote 18. These charges are being met from the 2025 voted funds.

**7.90** The primary cause of the errors for the non-calculation of CET was the NSSO's failure to specify a trigger for the calculation of CET liability that was related to the value of the pension, rather than the grade/rank of the person who was retiring. While the 'grade' trigger used may have been effective in the past, increasing salary (and pension) values in recent years have brought progressively more employees at lower grades into the CET net.

**7.91** More transparency in the accounting for Vote 12 — and in other relevant financial statements — around the recognition of CET debtors and the recovery of the debts (over 20 years) from gross pension payments could have provided a focus for earlier identification of the failure to pay liabilities to Revenue. Accounting for pension payments in CET cases on a 'gross expenditure' basis would also be more consistent with the principles of the Department of Public Expenditure's *Public Financial Procedures*.

### ***Ministerial pensions, additional superannuation contributions (ASC) and salary gifting***

- 7.92** The NSSO identified issues due to inaccurate ministerial pay and pension instructions being received from local department HR units around the time of Government formation in January/February 2025. Misunderstanding and inconsistency in the HR units in ministers' departments was found to have resulted in the previous misclassification of ministerial pension contributions and in the calculation of ASC liabilities.
- 7.93** Following extended reviews of ministers and other higher-grade officers, further inaccuracies were identified with the allocation of pension contributions and ASC rates. Issues were also identified with the configuration of the NSSO's system regarding ASCs on salary gifting. The NSSO is taking steps to prevent such errors from occurring in the future.
- 7.94** As of 25 July 2025, the NSSO has established that 81 individuals have been impacted by pension and/or ASC misclassifications resulting in mis-payments. Net refunds totalling €41,000 are being made to six individuals. Net underpayments totalling €394,000 have been identified for recovery from 75 individuals. The NSSO is engaging with the relevant individuals to arrange repayment plans and refunds.

### ***Processing of pensionable allowances for part-time employees***

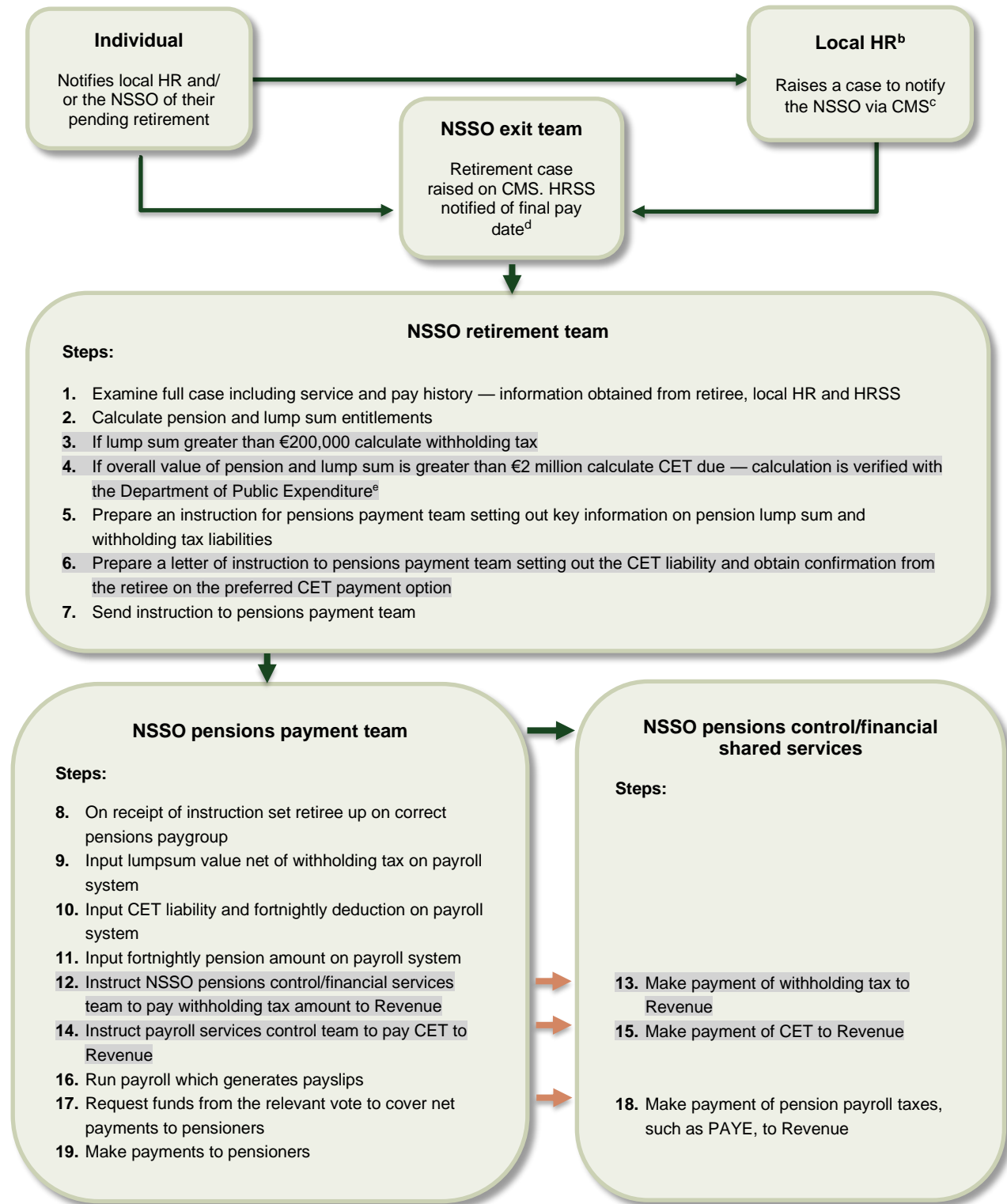
- 7.95** In early 2025, the NSSO identified that its treatment of pensionable allowances on retirement was incorrect for some individuals, resulting in underpayment of pension entitlements. Initial indications, as of 11 July 2025, are that less than 2,000 retirees had a part-time history in the ten years prior to their retirement. Work is ongoing to determine the number of individuals affected and the value of any underpayments.
- 7.96** As the NSSO only commenced transacting pensions in 2013, any part-time cases prior to this to this date will need to be reviewed by individual departments.

### ***Learning from the errors identified***

- 7.97** The above three matters indicate a systemic lack of understanding of some of the intricacies within public sector pension legislation and its interrelationship with tax provisions. The relevant departments and administrators of public sector pensions should be provided with timely, sufficient and frequent guidance, updates and oversight in relation to all pension matters.
- 7.98** The cumulative financial impact of the matters determined to date is not considered to be material at an individual vote level. However, the impact of the errors on individual retirees or employees may certainly be material. As provided for in Department of Public Expenditure guidelines, any underpayment or overpayment due to a public body in respect of salary or pension must be recovered as quickly as possible.

**7.99** NSSO reviews are ongoing and corrective action is being taken to address weaknesses identified in its processes and systems. A Revenue audit of the NSSO is also in progress since July 2025, the results of which may lead to further corrective action being required. Payments to Revenue have been made by the Department of Public Expenditure — from Vote 12 — and the NSSO on matters determined to date. Further settlements or liabilities may be determined on foot of the findings and quantification of the ongoing matters under review.

**Annex 7A NSSO pension starter and 19-step pension process<sup>a</sup>**



Source: National Shared Services Office. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a Items highlighted in grey represent the steps which were not undertaken resulting in the non-disclosure and/or non-payment of CET and WHT liabilities.
  - b Local HR refers to the HR unit of the body that employed the individual.
  - c CMS stands for case management system.
  - d HRSS stands for human resource shared services unit.
  - e The calculation of CET has been undertaken for the Assistant Secretary grade and above since 1 June 2024. The NSSO stated that, since August 2025, all retirees regardless of their grade are now checked for CET and WHT liabilities.

## Annex 7B ASC rates

ASC is chargeable on pensionable remuneration only and different rates apply depending on whether a public servant is a member of a standard accrual (pre-2013) pension scheme, a fast accrual pension scheme or the single public service pension scheme.

### Member of a standard accrual (pre-2013) pension scheme

2019+ threshold	2020+ threshold	Rate
€0 to €32,000	€0 to €34,500	Exempt
Over €32,000 to €60,000	Over €34,500 to €60,000	10%
Over €60,000	Over €60,000	10.5%

### Member of a fast accrual pension scheme

2019+ threshold	Rate
€0 to €28,750	Exempt
Over €28,750 to €60,000	10%
Over €60,000	10.5%

### Member of the single public service pension scheme (since 2013)

2019+ threshold	Rate	2020+ threshold	Rate
€0 to €32,000	Exempt	€0 to €34,500	Exempt
Over €32,000 to €60,000	6.66%	Over €34,500 to €60,000	3.33%
Over €60,000	7%	Over €60,000	3.5%

Source: [Public service pensions.gov.ie](https://publicservicepensions.gov.ie)



## 8 Accommodation costs for policing the UEFA Europa League final

- 8.1 Policing services may be provided by An Garda Síochána for events on public or private property at the request of a person promoting an event and for other high profile or national events.<sup>1</sup>
- 8.2 The UEFA Europa League final, which took place in the Aviva Stadium in Dublin on 22 May 2024, was one such event. The total policing costs for this event, including overtime, were €7.8 million (see Figure 8.1).

**Figure 8.1 Costs associated with policing the UEFA Europa League final**

Cost item	Amount €000
Overtime	4,922
Other expenses (including accommodation)	1,477
PRSI	567
Unsocial allowances	491
Travel and subsistence	313
<b>Total</b>	<b>7,770</b>

Source: An Garda Síochána

- 8.3 As part of the audit of the 2024 appropriation account for Vote 20 Garda Síochána, the expenditure incurred and charged to the vote in respect of the Europa League final was examined. Concerns were identified about some of the costs incurred for accommodation for An Garda Síochána members policing the event.

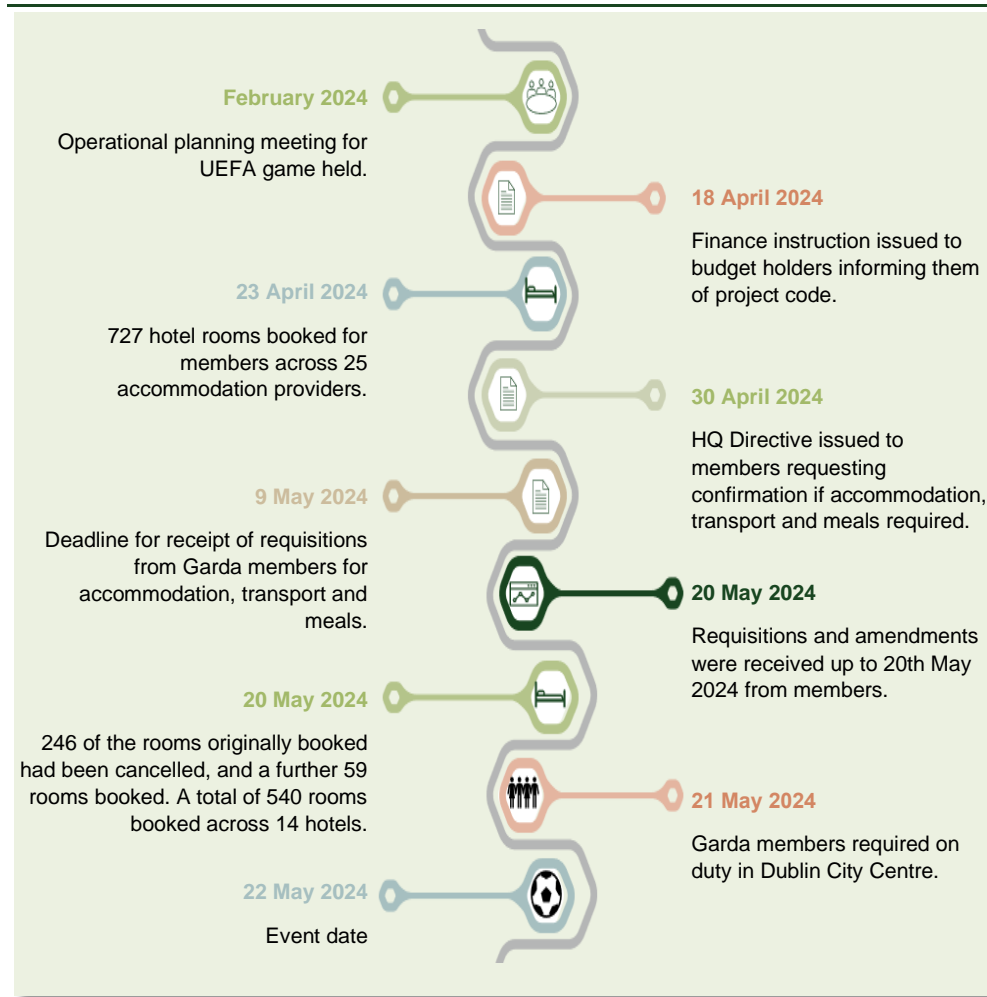
### Operation planning

- 8.4 Following a decision announced by the UEFA Executive Committee on 16 July 2021, the UEFA Europa League final took place at the Aviva Stadium in Dublin on 22 May 2024.<sup>2</sup> All costs incurred by An Garda Síochána for policing the Europa League Final were covered by the State.
- 8.5 An Garda Síochána established 'Operation Argillite' to provide policing for this event. Planning for the operation commenced in February 2024 with an operation planning meeting. A timeline of events is outlined in Figure 8.2.

1 Examples of types of events for which policing services may be provided are sporting fixtures; concerts/music festivals; agricultural shows, festivals and exhibitions; transportation of abnormal loads; escorts to protect explosives in transit; meetings and conferences; the production of films, television programmes and advertisements; and appearances by individuals or groups likely to attract large numbers of people.

2 The match was between Bayer Leverkusen of Germany and Atalanta of Italy.

**Figure 8.2 Operation Argillite timeline for accommodation provision**



Source: An Garda Síochána. Analysis by the Office of the Comptroller and Auditor General.

**8.6** A financial instruction relating to Operation Argillite was issued to all Garda personnel on the staff intranet by the acting Executive Director of Finance on 4 March 2024. The instruction informed budget holders that only resources deemed necessary should be expended during the operation. The instruction also noted that expenditure should be recorded to a specific project code and that all claims relating to the operation were to be processed in the period ending 7 July 2024. An amended financial instruction document that included a project cost centre code issued on 18 April 2024.

**8.7** On 30 April 2024, a directive issued from the acting Executive Director of Human Resources and People Development to regional coordinators, informing all Garda members that the Garda Commissioner (the Commissioner) had declared the operation an ‘extraordinary event’. In line with the provisions of the 2012 Working Time Agreement, all annual leave for Garda members (Garda, Sergeant and Inspector ranks) would be restricted for the period 21 to 23 May 2024 inclusive.<sup>1</sup> Annual leave would only be permitted in exceptional circumstances during the operation, and approval by a Chief Superintendent or Assistant Commissioner was required. In instances where Garda members were required to perform duties on planned rest days, they would receive an overtime payment.

<sup>1</sup> Under the Working Time Agreement (2012), the Commissioner can declare an ‘extraordinary event’ which is an event that is outside the ordinary service provision for An Garda Síochána and requires alteration to set roster hours to police that event. The Commissioner, in accordance with the principles of the agreement, can alter shift durations and/or cancel rest days to meet the demands of an extraordinary event.

- 8.8 Additionally, Garda members were instructed to inform their regional liaison officer if they required transport, accommodation and/or meals during the operation. A deadline of 9 May was set for submission of responses.

### Project management

- 8.9 The operation planning team within An Garda Síochána provided details of the number of personnel required on duty for the operation to the Human Resources and Professional Development Unit on 6 April 2024. In total, Garda members were required to be on duty for 5,464 shifts over the three-day event (see Figure 8.3).

**Figure 8.3 Number of shifts Garda members required on duty 21 – 23 May 2024**

Day	Number of shifts required
Day 1	1,427
Day 2	2,962
Day 3	1,075
<b>Total</b>	<b>5,464</b>

Source: An Garda Síochána

- 8.10 Individual Garda members were required to inform their regional liaison officers if they required transport, accommodation and/or meals during the operation. In instances where the Garda members were on leave at the time the directive was issued, their sergeants responded on their behalf in relation to accommodation and meal requirements, without consultation with the members.

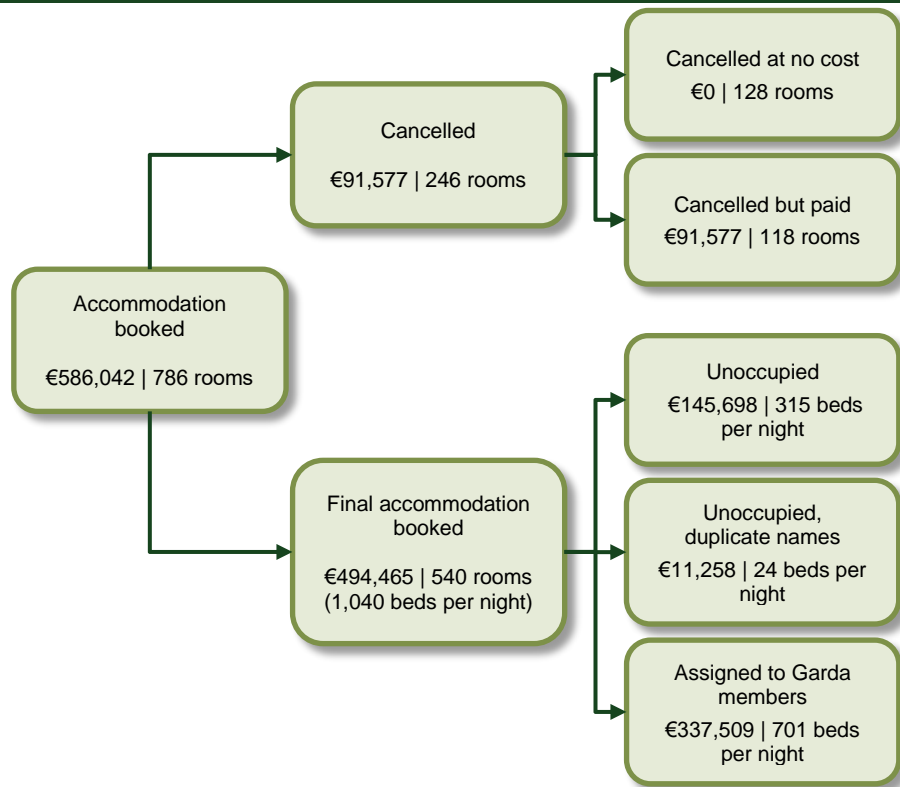
### Accommodation booking

- 8.11 An Garda Síochána did not have a policy for the logistical planning of extraordinary events at the time of the UEFA Europa League final. A policy and procedure for events, public order and public safety planning, and command structure was introduced in November 2024.
- 8.12 The Executive Director of Finance and Services was assigned responsibility for assessing accommodation needs and booking accommodation as part of the operation. The sourcing and booking of hotel accommodation was delegated to staff in the Finance Division and the travel teams in An Garda Síochána.
- 8.13 An Garda Síochána engaged directly with 25 accommodation providers in the Dublin region for the provision of hotel accommodation for the three nights of the operation i.e. 21 – 23 May 2024.
- 8.14 A public procurement process was not conducted in line with *Public Procurement Guidelines* for the provision of the hotel accommodation. While some of the non-competitively procured contracts with accommodation providers were disclosed by An Garda Síochána in the return on non-competitive procurement, some contracts were omitted/undeclared.<sup>1</sup>

<sup>1</sup> Circular 40/2002 requires all Government departments/offices by 31 March each year to submit a return in respect of the prior year detailing instances of non-competitive procurement to the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation and to the Comptroller and Auditor General.

- 8.15** The booking of hotel accommodation commenced in March 2024. 727 rooms had been booked by 23 April, with a potential maximum occupancy for 1,454 Garda members per night. At 20 May 2024, 246 of the rooms originally booked had been cancelled, and a further 59 rooms booked, resulting in a total of 540 rooms booked across 14 hotels. This provided a potential maximum bed capacity of 1,040 per night. The total cost associated with the bookings over the three nights was €586,042 (see Figure 8.4).
- 8.16** An Garda Síochána stated that the Garda Representative Association had communicated to them in April 2024 that single occupancy rooms would be required for members. In addition, An Garda Síochána pointed out that twin rooms were booked as the single occupancy supplement brought the cost of a single occupancy room very close to that of a twin room.

**Figure 8.4 Accommodation booking breakdown for Operation Argillite**



Source: An Garda Síochána. Analysis by the Office of the Comptroller and Auditor General.

- 8.17** The staff with responsibility for arranging accommodation for the operation allowed changes to be made to hotel bookings up to the time of the operation. The timing of the late changes meant that it was not possible to cancel some hotel rooms without incurring a charge due to the hotels' cancellation policies.
- 8.18** An Garda Síochána incurred costs totalling €91,577 when cancelling 246 hotel room bookings in 11 hotels prior to the operation.
- Five hotels allowed the cancellation of 128 rooms (384 rooms over three nights) at no cost.
  - Two hotels requested partial payment for 18 cancelled rooms (54 rooms over three nights) at a cost of €4,237.
  - Four hotels charged the full cost of 100 cancelled rooms (300 rooms over three nights) at a cost of €87,340.

### *Occupancy*

- 8.19** An Garda Síochána booked a mix of twin rooms (500 rooms) and single-occupancy rooms (40 rooms), providing a maximum accommodation capacity for 1,040 Garda members per night or 3,120 over the three nights.
- 8.20** An Garda Síochána provided details of the usage of the hotel accommodation for each night to the audit team. The method used to record the staff member allocated against each room was an offline spreadsheet.
- 8.21** Based on the spreadsheet provided, it appears that an average of 701 of the 1,040 available beds were allocated for use. An average of 315 hotel beds were unallocated/unoccupied each night. The cost associated with the unoccupied beds was €145,698.
- 8.22** Anomalies were identified in respect of 24 hotel bed allocations each night.
- 13 Garda members were assigned two rooms in the same hotel.
  - 11 Garda members were assigned two hotel rooms in two different hotels.

### *Travel and subsistence claims*

- 8.23** The financial instruction issued to Garda members in April 2024 detailed the circumstances where travel and subsistence was payable during the operation (see Figure 8.5). In instances where meals are provided, the subsistence claim is reduced e.g. if one meal is provided a deduction of €12.48 is made from the daily meal allowance of €31.99, with members receiving a payment of €19.51; if two meals are provided a deduction of €21.86 is made from the daily allowance, with members receiving a payment of €10.13. No daily subsistence is payable where members receive three meals.

**Figure 8.5 Subsistence rates payable**

Accommodation	Subsistence	One meal provided	Two meals provided	Three meals provided
Accommodation and all meals provided at public expense	<b>No entitlement to subsistence</b>	N/a	N/a	N/a
Accommodation provided at public expense	<b>Based on number of meals provided</b>	€19.51	€10.13	—
Accommodation required but not requested	<b>€143.58, if no meals provided</b>	€131.10	€121.72	€111.59

Source: An Garda Síochána

- 8.24** The audit team compared travel and subsistence payments made to Garda members in the period May to December 2024 that included a claim for accommodation relating to the operation to data provided by An Garda Síochána on hotel room allocations.
- 8.25** The audit identified 145 payments for subsistence to Garda members that specifically included a claim for accommodation for the operation where they had also been allocated hotel accommodation. The cost of the overlapping subsistence payments was €32,598.
- 8.26** Over the three-day period, there were over 5,251 meals provided to 2,120 members at a cost of €340,000. As indicated in Figure 8.5, a lower rate of subsistence is payable if meals are provided.
- 8.27** Analysis of the travel and subsistence payments made and An Garda Síochána data that showed which Garda members were provided meals during the operation indicates a potential overpayment of €2,408 in 108 cases where it appears deductions should have been made in respect of meals provided.
- 8.28** There were limitations with the travel and subsistence payment data provided by An Garda Síochána. There were many instances where Garda members submitted a travel and subsistence claim covering several months but the payment report provided to the audit did not separate the payment into individual components. As a result, in these cases, it was not possible to identify amounts/ payments relating to the operation. Given this, there may be additional instances where subsistence was paid to Garda members who were allocated hotel accommodation and provided with meals during the operation.

## Conclusions and recommendations

- 8.29** An Garda Síochána did not have a policy for the logistical planning of ‘extraordinary’ events where policing services were provided in advance of the UEFA Europa League final. A policy and procedure for events, public order and public safety planning, and command structure was introduced in November 2024.
- 8.30** An Garda Síochána booked hotel rooms in bulk two months prior to the operation, before instructions were issued to Garda members to assess likely demand. This in conjunction with the non-timely submission of requests for accommodation resulted in excess hotel rooms being booked.
- 8.31** An Garda Síochána was able to cancel some of the rooms booked without penalty payments being applied.
- 8.32** An Garda Síochána spent nearly €590,000 on accommodation for its members who were policing this event. Just over 40% of this expenditure (€248,500) related to accommodation that was not used by Garda personnel. Notwithstanding the challenges in assessing demand for necessary accommodation, this level of wastage does not represent value for money.

### Recommendation 8.1

An Garda Síochána should adhere to firm deadlines when requesting information from members and ensure Garda members are fully informed about the requisition process and the requirement to request or decline accommodation and meals for an event within a defined timeline.

#### Accounting Officer’s response

Agreed.

A number of steps have been taken to improve the timelines around the declaration of an extraordinary event to streamline the resource deployment needs and requests. This should ensure that the relevant procurement process and contracts are in place, and advance bookings are at a minimum percentage level prior to receiving the actual deployment numbers.

This requires strategic collaboration and early engagement with Government departments for large scale significant events where Ireland is the host and An Garda Síochána is required to provide the safety and security from own resources. Early engagement with the operational planning teams and Finance and Services is also critically required. This has improved over the number of significant events thereafter.

#### Timeline for implementation

In place since quarter four 2024.

- 8.33** A public procurement process was not conducted by An Garda Síochána prior to acquiring hotel accommodation for the operation. The Accounting Officer has stated that An Garda Síochána conducted tendering processes with hotel service providers between October 2024 and March 2025, and has built in negotiated terms and conditions for payment and cancellations with service providers. It also has put a contract in place through the available Office of Government Procurement travel services framework for domestic and foreign bookings requirements until August 2026. It is also working with the Office of Government Procurement regarding the travel services framework to be put in place from September 2026.
- 8.34** The audit identified 24 instances where Garda members were assigned to multiple rooms in hotels or to rooms in multiple hotels. This may be due to the use of a manual process to allocate accommodation.

### **Recommendation 8.2**

An Garda Síochána should investigate the use of a more sophisticated method for the allocation of accommodation, to reduce the risk of administrative errors.

#### **Accounting Officer's response**

Agreed.

An Garda Síochána is currently reviewing options that may have the scope to provide support in this area.

#### **Timeline for implementation**

By June 2026, scope business analysis need and collaborate with ICT on what tool could effectively be used on Garda IS system without breaching security.

- 8.35** The examination identified over 250 cases of potential overpayment of travel and subsistence claims totalling €35,000 in respect of Operation Argillite. Due to limitations in the data available, the amounts identified are likely the minimum level of overpayment. An Garda Síochána has stated that internal audit will review this information and all overpayments substantiated will be recouped.
- 8.36** The critical failure to cross-reference between travel and subsistence claims submitted by Garda members and accommodation and meals provided by An Garda Síochána during the operation points to a weakness in internal control systems, with insufficient internal control checks and a disregard for established expense verification protocols.

### **Recommendation 8.3**

An Garda Síochána should update travel and subsistence procedures to ensure officials confirm services were not provided at a central level prior to approval of claims.

Travel and subsistence procedures should be periodically communicated to all Garda members to ensure that they are familiar with the rules around claiming for travel and subsistence expenses.

#### **Accounting Officer's response**

Agreed.

A review of the subsistence claim form was completed in 2025 to include where the provision of accommodation and/or meals was facilitated from Vote 20 Garda Síochána. The claimant and approver must certify where all provisions have been made. This will ensure the appropriate reduction is made at the claim processing stage. Additional monitoring reports have been developed through the Core Expenses system to monitor this.

#### **Timeline for implementation**

In place.



## 9 The Criminal Justice Operational Hub

- 9.1 The criminal justice sector is responsible for the investigation and prosecution of criminal offences. The sector also manages offenders both in prison and in the community. Figure 9.1 provides an illustration of the key agencies operating within the sector. Effective communication between these agencies is required for the criminal justice system to work in an efficient manner.

Figure 9.1 Key agencies in the criminal justice sector



Source: Department of Justice, Home Affairs and Migration

- Notes:
- a Non-statutory executive agency.
  - b As set out in the Prosecution of Offences Act, 1974, the Director of Public Prosecutions operates independently.
  - c Irish Youth Justice Service is not an agency but rather a collocated team comprising staff from the Department of Justice, Home Affairs and Migration and the Department of Children, Disability and Equality.

- 9.2 The Criminal Justice Strategic Committee (the Committee), chaired by the Department of Justice, Home Affairs and Migration (the Department), was established in 2015 to coordinate activities and processes across the criminal justice system, while recognising the independence of the work of each organisation.<sup>1</sup> The Department stated that policing oversight bodies such as the Policing Authority and the Police Ombudsman are not part of the strategic committee due to their independent oversight roles.

1 The Committee comprises the heads of the following independent organisations in the sector: An Garda Síochána, the Courts Service, Forensic Science Ireland, Irish Prison Service, Legal Aid Board, the Office of the Director of Public Prosecutions and the Probation Service.

- 9.3 The Committee published its first strategy in 2022. The principle of data sharing underpins core elements of this strategy.<sup>2</sup>

- 9.4 The Criminal Justice Operational Hub (the Hub) is a collaboration between agencies operating in the criminal justice sector. It facilitates the automated sharing of data and is led by the Department.

2 [Criminal Justice Sectoral Strategy 2022 – 2024](#).

- 9.5** This examination assesses how the Department is managing the development of the Hub and the related individual projects. The report examines
- the development of the Hub, the governance arrangements in place and programme costs
  - the impact of General Data Protection Regulation (GDPR) considerations on the development of the Hub, and
  - whether anticipated benefits have been achieved on two projects.
- 9.6** The examination team reviewed relevant documentation and engaged with the Department and project partners during the examination.

### Scope and functionality of the Hub

- 9.7** The development of the Hub began in 2017. It is designed as a secure system to exchange data between State agencies operating in the criminal justice system, taking appropriate information from one system and ensuring compatibility between systems.<sup>1</sup> As stated in the business case for the project, the ultimate objective of the Hub is to enable the effective end-to-end management of cases and persons through the criminal justice system.
- 9.8** The Hub concept is based on the Northern Ireland Causeway programme, launched in 2002, which
- supports the sharing of operational data across criminal justice agencies
  - harvests data to allow a criminal search function, and
  - provides a data repository for research.
- 9.9** The Hub does not have a fixed scope as it is designed to respond to the changing priorities and emerging needs of the participating agencies.<sup>2</sup> At the outset, it was planned that the Hub would have two work strands.
- Strand 1: data harvesting and person search
  - Strand 2: operational data exchanges.

<sup>1</sup> The Hub platform is hosted by the Department behind a secure firewall. The Hub does not hold any data and the data that passes through is not retained.

<sup>2</sup> Participating agencies are: the Department of Justice, Home Affairs and Migration, An Garda Síochána, the Courts Service, Forensic Science Ireland, Irish Prison Service, Probation Service, Office of the Director of Public Prosecution and the Legal Aid Board.

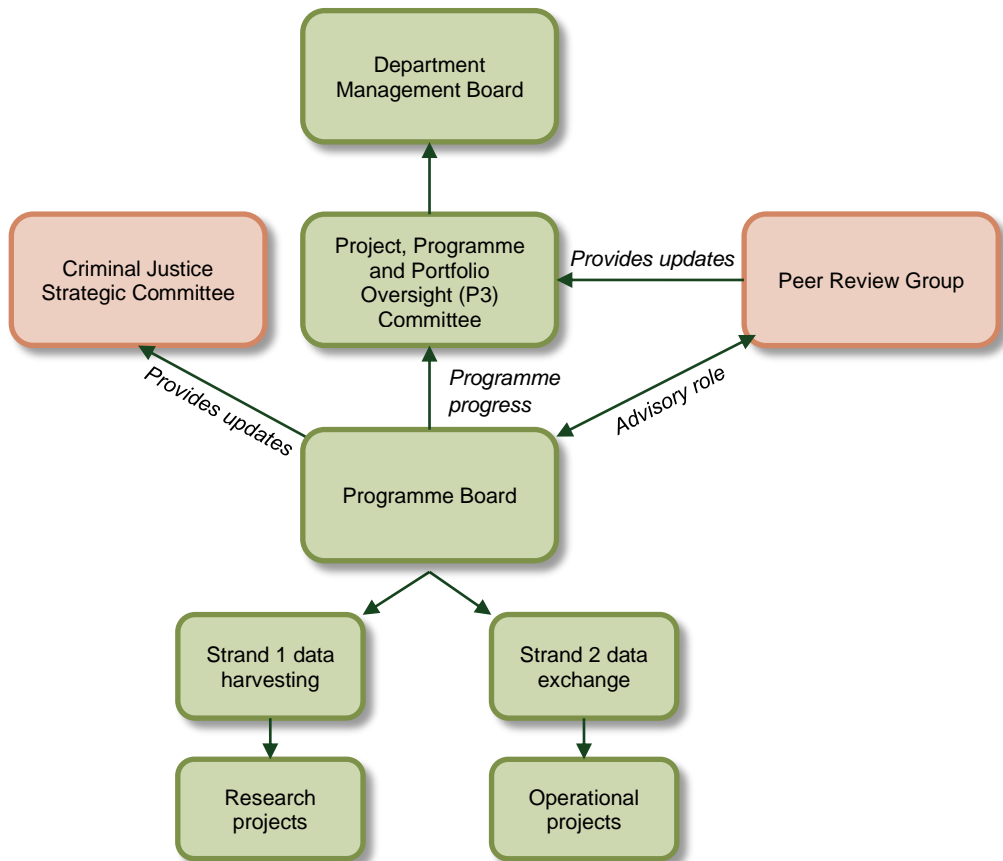
<sup>3</sup> [Circular 14/2021](#) Arrangements for Oversight of Digital and ICT-related Initiatives in the Civil and Public Service.

### Programme governance

- 9.10** A Hub Programme Board (the Board) was established in 2017 to oversee the progress of the Hub and its individual projects. This includes providing direction and approving the commencement of projects. The Board is made up of senior representatives from the participating agencies.
- 9.11** The Board reports to the management board of the Department via a subcommittee — the Project, Programme and Portfolio Oversight Committee (P3 Committee). The Board also provides updates to the Criminal Justice Strategic Committee on the progress of the Hub (see Figure 9.2).
- 9.12** Significant digital and ICT initiatives are required to establish a ‘peer review’ process.<sup>3</sup> The Hub Peer Review Group works with the Board in an advisory role to support quality assurance and continuous improvement.

- 9.13 A programme ‘charter’ is required to be provided to the Board on an annual basis. The charter provides details in relation to the current state of progress of individual Hub projects, the priorities for the coming year and overall annual Department expenditure, broken down into broad categories of spending: contractor costs, hardware, software licensing and telecommunication costs. The charter does not provide a breakdown of expenditure incurred for individual projects.
  
- 9.14 This examination noted that minimal updates were provided in relation to either of the key work strands in the charters covering the years 2021 to 2023. No charter was available for 2024.
  
- 9.15 The Department confirmed that due to an oversight, the charter for 2024 was not generated until August 2025.

**Figure 9.2 Governance for the Criminal Justice Operational Hub**



Source: Department of Justice, Home Affairs and Migration. Analysis by the Office of the Comptroller and Auditor General.

## Project delivery

### *Data harvesting and person search*

- 9.16** The goal of strand 1 was to have criminal justice data held centrally in the Department. This would support inter-agency analytics and evaluations that could inform the Department's policymaking and reporting. This data would also be available to agencies to improve operational and administrative processes across the criminal justice system. The data was to be collected from four key agencies, namely An Garda Síochána, the Courts Service, the Irish Prison Service and the Probation Service.
- 9.17** Three research initiatives were launched to progress the inter-agency analytics function.<sup>1</sup> One began in 2022 but was paused in 2023 due to data quality concerns. The two additional projects commenced in 2023 but have since stalled, pending the completion of required data protection documentation.
- 9.18** The Department stated that it considered implementing a unique identification number in relation to the 'person search' function of strand 1. This would assist in linking data from multiple sources. However, due to potential data protection issues and limited access to agency data, this was not progressed. The person search project was removed from strand 1 in 2021. The Department has stated that it has initiated a separate project to introduce a unique identifier across the Justice sector.
- 9.19** Progress on strand 1 has been limited because
- the projects on the data harvesting element have not progressed since 2023 and are currently on hold, and
  - the person search project has been removed from the scope and the Department confirmed that it will not form part of strand 1 in the future.

### *Operational data exchanges*

- 9.20** Strand 2 focused on the development of operational data exchanges to enable the automated transfer of data across participating agencies operating in the criminal justice sector. Specific projects are set up to facilitate this transfer.
- 9.21** An initial list of 14 project options (projects) was accepted for consideration by the Board in 2017, on foot of proposals from the participating agencies. The projects are presented as 'key data interoperability project options' in the initial 2017 Hub business plan. Additional projects were subsequently added to the list and several projects have been approved by the Board since 2017 for progression to scoping stage (see Figure 9.3).
- 9.22** In March 2025, the examination team requested a definitive list of all projects under strand 2 along with their current status (e.g. completed projects, projects approved for progression, projects that are unlikely to progress). Despite several attempts, the Department was unable to provide a consistent list. The list of projects at Figure 9.3 was provided to the examination team in August 2025.
- 9.23** Of the 20 projects identified, the Department stated that project scheduling along with the development of data sharing agreements meant that none of these projects commenced until 2020.

<sup>1</sup> The three research initiatives were a Youth Diversion study, a study on re-incarceration rates for early release prisoners and an Irish Prison Service/Probation Service project.

**Figure 9.3 Criminal Justice Operational Hub projects, status at August 2025**

Project name	Agencies involved	Comments
<b>Completed projects</b>		
Charge sheets and station bail	The Courts Service and An Garda Síochána	Electronic exchange of charge sheets to the District Court.
Court lists	The Courts Service and Irish Prison Service	Electronic transfer of court lists from the Courts Service to prisons.
Court lists	The Courts Service and Oberstown	Electronic transfer of court lists from the Courts Service to Oberstown.
District court outcomes and probation report requests	The Courts Service and the Probation Service	Automation of court outcomes and district court data to the probation service database.
<b>Partially completed projects</b>		
Pulse incident updates to Forensic Science Ireland	Forensic Science Ireland and An Garda Síochána	Electronic transfer to deliver improvements of how exhibits/items of evidence are prioritised or removed from the queue.
<b>Projects approved for scoping</b>		
Electronic warrants	Irish Prison Service and The Courts Service	Automation of electronic warrants to ensure that sentences are calculated correctly.
Higher court outcomes	The Courts Service and An Garda Síochána	Automation of higher court outcomes to An Garda Síochána.
Non-Garda summons	The Courts Service	Automation of summons sent to the Courts Service from 116 agencies.
<b>Projects awaiting approval</b>		
C56 form transfer	Forensic Science Ireland and An Garda Síochána	Electronic transfer of C56 from An Garda Síochána to Forensic Science Ireland.
Court lists	The Courts Service and An Garda Síochána	Electronic transfer of court lists from the Courts Service to An Garda Síochána.
Court outcomes	The Courts Service and the ODPP <sup>a</sup>	Automation of court outcomes to the ODPP.
Court outcomes	The Courts Service and Legal Aid Board	Automation of court outcomes to the Legal Aid Board.
Criminal legal aid payments	The Courts Service and Legal Aid Board	Automation of the manual process of completing legal aid payments.
Criminal records	The Probation Service and An Garda Síochána	Electronic transfer of details of the criminal record of probation clients from the An Garda Síochána.
Custody record	Legal Aid Board and An Garda Síochána	Automation of custody record to improve the effectiveness of criminal legal aid solicitors.
DNA database	Forensic Science Ireland and DNA Database	Electronic transfer of information into the DNA Database.
Garda views on temporary release proposals	Irish Prison Service and An Garda Síochána	Electronic exchange of An Garda Síochána views when considering a prisoner for temporary release.
Prison outcomes	The Probation Service and the Irish Prison Service	Automation of prison outcomes, i.e. various release dates, to the probation database.
Prosecution file/decision exchange	ODPP and An Garda Síochána	Electronic automated transfer of An Garda Síochána prosecution files to the ODPP. Ability for ODPP to communicate decision electronically.
Unlawfully at large	Irish Prison Service and An Garda Síochána	Automation of Irish Prison Service daily list of prisoners deemed to be unlawfully at large transmitted to An Garda Síochána.

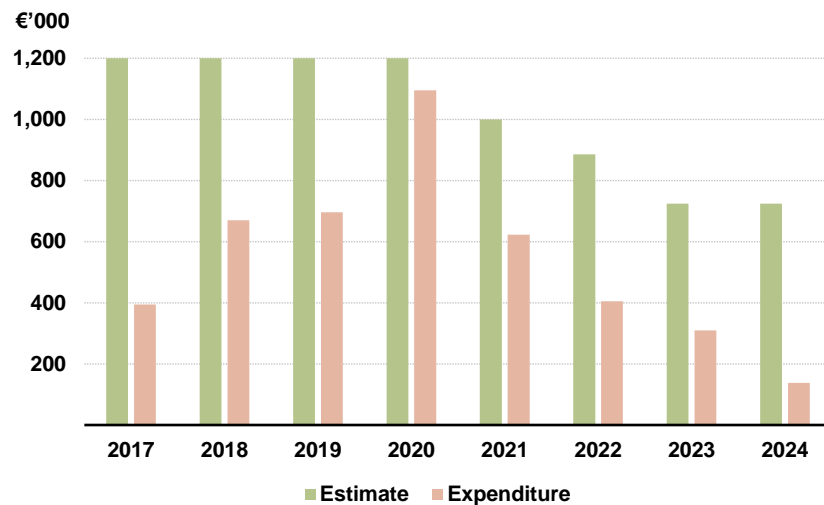
Source: 2017 Criminal Justice Operational Hub business plan, Department of Justice, Home Affairs and Migration; engagement during examination by the Office of the Comptroller and Auditor General

Note: a Office of the Director of Public Prosecution.

## Programme costs

- 9.24** The 2017 business plan for the Hub set a budget of €7.2 million, based on a three-year delivery programme. In the period 2017 – 2024, the Department incurred costs of approximately €4.3 million relating to the Hub. Costs incurred by the Department relate to the initial set up of the Hub and for individual projects within the Hub. Most costs, i.e. 97%, relate to consultant/contractor costs.
- 9.25** Except for 2020, the Department has significantly underspent on the Hub's annual funding allocation in the period 2017 – 2024 (see Figure 9.4). Approximately €1.75 million of this expenditure occurred before any strand 2 project commenced in 2020.

**Figure 9.4 Hub estimate and expenditure 2017 to 2024<sup>a</sup>**



Source: Department of Justice, Home Affairs and Migration

Note: a Expenditure relates to Department costs only.

- 9.26** The Department reported that the significant variances between estimated and actual spending is primarily attributed to the following factors.
- Project timelines progressed more slowly than expected due to the need for extensive technology discovery to determine the appropriate Hub technology toolkit.
  - Substantial data quality analysis was required to address risks associated with poor data.
  - There were delays in finalising and signing of data sharing agreements.
  - Technology costs were lower than anticipated as required tools were provided by the Department's ICT section at no additional cost to the Hub.

**9.27** Project partners also incur costs for the projects they are involved in. However, a centralised record of costs incurred by project partners on each project is not maintained. Therefore, the examination team could not always determine the total spend on individual projects. The Department stated that the Probation Service and Forensic Science Ireland are 'part of the Department' and that Forensic Science Ireland do not have their own IT budget (project costs are covered in the Department spend). It would appear that at least €4.9 million in total has been incurred on the Hub broken down as follows.

- The Department has reported a spend of at least €4.3 million.
- The Courts Service, Irish Prison Service and An Garda Síochána have reported that they have incurred expenditure of €385,000, €172,000 and €65,000 respectively.
- The Department reported that the Probation Service external project costs amounted to €10,000 and that Forensic Science Ireland did not incur any external project costs.

### ***Approval for ICT expenditure***

**9.28** Since 2016, central government departments and offices are required to obtain prior specific approval for all new ICT-related expenditure or initiatives which may give rise to expenditure of €25,000 or greater from the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (Department of Public Expenditure).<sup>1</sup>

**9.29** The Department has confirmed that a submission for approval was not made in relation to the Hub, despite the budget of €1.2 million sought for 2017. The Department has stated that once it became aware of this oversight in 2020, it moved to rectify the matter at that point. However, under the Department of Public Expenditure's protocol, as set out in its circular 02/16, 'retrospective approval' is not available.

### **Data protection considerations**

**9.30** The General Data Protection Regulation (GDPR) and the associated Data Protection Act in 2018, in place since May 2018, applies to the processing of all personal data in the EU. The GDPR also sets out more extensive obligations on data controllers and processors and provides strengthened protections for data subjects.

**9.31** The introduction of the GDPR, and the associated Data Protection Act in 2018, raised some data governance concerns for the Department including the definition of responsibilities between data controllers and processors, the legal basis for processing personal data and the legitimacy of interagency data sharing.

**9.32** The Department established a Data Protection Working Group to address these concerns and engaged legal advice when developing data sharing agreements and data protection frameworks.<sup>2</sup> These agreements were signed by all participating agencies in April 2020. The Department stated there have been no GDPR issues or data breaches in relation to the Hub and its strand 2 projects.

<sup>1</sup> [Circular 02/16](#) Arrangements for Digital and ICT-related Expenditure in the Civil and Public Service.

<sup>2</sup> The Data Protection Working Group consists of 14 senior members of the Department.

- 9.33** In relation to strand 1, GDPR issues are presenting significant challenges for the Department, particularly the principle of purpose limitation.<sup>1</sup> The Department originally proposed to retain a copy of collected data, but such retention is not aligned to this principle. The Department stated that it has not been in a position to address the issues to date, resulting in significant delays and a reduced scope for strand 1.

### Project and benefit delivery

- 9.34** The examination team selected two strand 2 projects for review — the charge sheets and station bail project and the court list project. The scope and objectives of each project were defined in a planning initiation document.

#### *Charge sheets and station bail project*

- 9.35** This project, approved by the Board in 2017, was a collaboration between An Garda Síochána and the Courts Service. The aim was to facilitate electronic transfer of charge sheets and station bail information from An Garda Síochána's Police Using Leading Systems Effectively (PULSE) system to the Courts Service's Criminal Case Tracking System (CCTS).
- 9.36** Prior to this project, around 110,000 charge sheets were printed from the PULSE system each year and hand delivered to the Courts Service by members of An Garda Síochána. The information from the charge sheets would then be manually entered into the CCTS. This Hub project set out to electronically transfer the information from PULSE to CCTS.
- 9.37** The Department's project initiation document approved in June 2020 identified a list of 20 potential benefits of the project, to the advantage of the Courts Service and/or An Garda Síochána. These included a reduction in the risk of human error, minimising the need for follow-up queries and enhanced interagency communication. Estimated financial values were not attached to the potential benefits e.g. value of staff time savings.
- 9.38** The project initiation document did not outline a proposed budget or cost projection for the project. The Courts Service set its own budget of €200,000 for the project. Neither the Department nor An Garda Síochána set related project budgets.
- 9.39** Planned completion of the project was November 2020 but the project did not commence until June 2020 and was completed in July 2022. The delay in completing the project was due to
- the impact of Covid-19 restrictions
  - revised priorities of the project partners, and
  - additional functional requirements identified during the design and discovery phase and user acceptance testing.
- 9.40** The total recorded cost of the project was €583,000. The Department and An Garda Síochána reported a spend of €299,000 and €65,000 respectively. The Courts Service reported an actual spend of €219,000 with the 9% overspend due to the requirement for additional development work to improve the data exchange.

<sup>1</sup> Purpose limitation states that personal data must be collected for a specific, explicit and legitimate purpose, which are determined at the time of collection and cannot be further processed in a manner incompatible with those purposes. Further information can be found in [Article 5\(1\)\(b\) of the General Data Protection Regulation](#).

- 9.41** A project closure report is prepared by the relevant project manager on completion of any Hub project and sets out the key success targets for the project and the determined outcome. The aim of this report is to identify lessons learned and to consider if projected benefits have been realised.
- 9.42** The project closure report provided to the examination team, dated December 2022, did not address all the projected benefits that were contained in the project initiation document. The Department subsequently provided a revised project closure report to the examination team dated August 2025 that now reports that all the projected benefits were achieved.
- 9.43** The key benefit achieved from the project was a significant reduction in Courts Service staff time required to create cases on the CCTS system. The estimated average case creation time prior to implementation was ten minutes per case, and the target was to reduce the average time to four minutes per case. The project closure report estimated that, after implementation, cases were being created in an average of 3.5 minutes. Across the Courts Service, this was estimated to equate to freeing up 3.2 full-time equivalent posts and a saving of approximately €180,000 a year.
- 9.44** Information from the charge sheets is now transferred electronically from An Garda Síochána to the Courts Service through the Hub at scheduled intervals daily. However, under court requirements, charge sheets are still printed and delivered to the courts.<sup>1</sup>
- 9.45** The inclusion of court outcome information on the PULSE system potentially improves An Garda Síochána's ability to analyse and report on crime outcomes. The Courts Service has reported that electronic transmission of District Court outcomes to An Garda Síochána was already in place prior to this project. The transmission of the outcomes of the higher courts will form part of a future project.

### ***Court lists project***

- 9.46** Court lists are used by the Irish Prison Service (IPS) and the Prison Service Escort Corps (PSEC) to schedule and manage court appearances for prisoners.<sup>2</sup> The aim of this project, approved for development by the Board in 2018, was to automate the exchange of court lists from the Courts Service to the IPS covering a seven-day advance period.
- 9.47** Prior to this project, the IPS used a paper-based method to manually verify prisoner court appearances. This involved cross-checking information on the Prisoner Information Management System (PIMS) against court lists provided by the Courts Service. If appearances were missing from the PIMS, they would then be manually entered.
- 9.48** The project initiation document identified five potential project benefits. The project commenced in January 2020 and was completed in December 2021, 11 months behind schedule. The Department stated the main reason for the delay was late-stage design changes.
- 9.49** A seven-day forecast of prisoners required in court is now sent to the IPS and changes for the next day's hearings are sent to the PIMS so that the IPS can plan for the prisoner's appearance more efficiently.

<sup>1</sup> Charge sheets continue to be printed as they are required in court. They must be signed by a member of An Garda Síochána of sergeant rank and must legally be provided to the defendants. The Courts Service has stated that the need for a physical charge sheet is governed by legislation and can only be replaced with a digital charge sheet by way of legislative amendment.

<sup>2</sup> The PSEC is a unit within the IPS. It is responsible for the secure transportation and escort of prisoners between the courts, prisons, hospitals and other locations.

- 9.50** Neither the Department nor the IPS set a budget for the project, while the Courts Service set a budget of €72,000. The total cost of the project was €403,000. The Department and the IPS reported a spend of €80,000 and €172,000 respectively. The Courts Service reported an actual spend of €151,000, with the 109% overspend due to unanticipated system modifications required to facilitate the data transfer to the Hub.
- 9.51** The project closure report, completed in December 2022, indicates that all of the potential benefits and planned functionality of the system were delivered. Court lists are now sent to the IPS electronically which has led to a reduction in manual cross-checking and an unquantified reduction in incorrect court appearances.
- 9.52** The project closure report also sets out three success criteria and the determined outcomes. The key benefits achieved from the project was a reduction in the IPS staff time in manually checking court lists. The target was to reduce the need for an average of 0.5 full time equivalent per prison, to an average of 0.1 full time equivalent per prison. Although the target was not achieved, the time input requirement was reduced to an estimated 0.25 full time equivalent per prison, equating to an annual staff-time saving to the value of €68,840 a year across the IPS.
- 9.53** The IPS has confirmed that it does not collect centralised and consistent data on the actual number of incorrect court appearances. The IPS state that the number is very low due to the use of electronic court lists and direct contact with the court offices.

### Self-evaluation benchmarking exercise

- 9.54** The Department undertook a formal exercise with a third-party provider to assess its performance across a broad set of functional activities within the Department, benchmarked against other Government organisations. The results were summarised in an April 2024 report.<sup>1</sup>
- 9.55** The assessment was undertaken on a self-assessment basis on the Department's Project Management Office generally. It focused on six objectives with 27 related activities. Across all the objectives, the Department assessed its performance at a score of '3 minus' out of a maximum score of 5. This was higher than the equivalent score for the peer benchmark, which was 2 out of 5.
- 9.56** One of the activities under the 'manage strategic and other portfolios' objective was the activity 'measure and manage benefit realisation'. For this activity, the Department self-assessed itself at 1 meaning it conducts benefit realisation informally. This was slightly below the peer benchmark of '2 minus'. Achievement of a score of 2 requires a set of financial and non-financial benefit metrics to be defined as part of portfolio management.
- 9.57** The Department stated that this benchmarking exercise identified measuring and managing benefit realisation as a key area for development and that it is currently identifying actions to develop this area.

<sup>1</sup> PowerPoint presentation entitled 'IT Score for Program and Portfolio Management' (April 2024).

## Conclusions and recommendations

- 9.58** The Criminal Justice Operational Hub is a necessary collaboration between agencies operating in the criminal justice sector. It is intended to facilitate the automated, efficient and secure sharing of necessary data to streamline the operation of the criminal justice system. The Department of Justice, Home Affairs and Migration is the lead agency for delivery of the programme.

### *Development of the Hub*

- 9.59** The objectives of the Hub are the better use of technology and data management systems, removing duplication and unnecessary work, including duplication of electronic and paper files and integrating systems to provide accurate and timely information.
- 9.60** The programme to develop the Hub commenced formally in 2017. To date, there has been very little progress made in the areas of data harvesting and person searching — outlined in the original Hub plan as strand 1 — due to data quality issues and data security concerns. The ‘person search’ project — which aimed to allow an authorised user search for an individual and review their records — was removed from the programme in 2021.
- 9.61** The GDPR principle of purpose limitation has been cited as a significant impediment to progress as the Department originally proposed to retain a copy of collected data which is not aligned with this principle. Such issues do not appear to have had a similar impact on the operational strand 2 projects as the data transits through the Hub and is not held by the Department.
- 9.62** The level of progress made on the identifiable strand 2 projects has been mixed, with many of the initial projects accepted by the Board for consideration in 2017 not yet started. As a result, it is unlikely that the Hub will achieve its ultimate objective of an effective criminal justice system that enables end-to-end management of cases in the short to medium term.

### *Governance and oversight*

- 9.63** An annual project ‘charter’ is one of the key documents that keeps the Board and Department management informed of the progress of the Hub programme and projects. Updates in the annual charter appear to be minimal since 2020 and the Department has confirmed that a charter for the work to be done in 2024 was not prepared until August 2025. This, combined with the fact that only four projects have been completed since 2017, may indicate a loss of momentum in the programme and the loss of potential net economic benefits from deployment and use of improved technology.
- 9.64** Project initiation documents are produced at the start of projects but do not contain projected costs of budgets for the projects. There is no centralised record maintained of the costs incurred on projects by all project partners and therefore the total cost of the Hub and its projects is not known.

- 9.65** A review of two delivered strand 2 projects found references to delays in the project schedules reported to be because of, *inter alia*, late-stage design changes. In addition, the examination team had difficulty in establishing a definitive list of strand 2 projects. Although the Department has stated that there have been improvements in oversight processes since 2020, there still appears to be a weakness in project planning and management. While the benchmarking exercise reported on in April 2024 did not set out formal recommendations, it does provide a useful framework for the Department to improve its project management function, including a stronger focus on benefit monitoring.

### **Programme costs**

- 9.66** Availability of funding for coordination of the Hub programme does not appear to have been a factor in the delays. The 2017 business case for the Hub set out a budget of €7.2 million over three years, to be provided through Vote 24 Justice, Home Affairs and Migration. However, in the period 2017 – 2024, the total costs incurred on the Vote have amounted to approximately €4.3 million. Of this, approximately €1.75 million was incurred in the period 2017 – 2019, before any strand 2 projects commenced.
- 9.67** Further costs were incurred by the project partners, but a centralised record of costs incurred by project partners on each project is not maintained. At least an additional €0.6 million has been spent by the Courts Service, Irish Prison Service, An Garda Síochána and the Probation Service on certain Hub projects. The Department stated that Forensic Science Ireland did not incur any external costs on the Hub projects it engaged in.

### **Recommendation 9.1**

The Department should update the planning and management of projects with a view to strengthening the process, in particular around project design, global estimated costs and reporting mechanisms.

#### **Accounting Officer's response**

Agreed.

Since the commencement of the Criminal Justice Operational Hub programme, significant steps have been taken by the Department to strengthen our project planning, governance and management processes.

The Project, Programme and Portfolio (P3) oversight committee was established in 2020. This committee, composed of senior leadership from the Department along with external members meets quarterly to review project proposals, monitor progress, approve changes to scope/budget, and assess performance of projects against objectives and costs. The P3 committee is supported by a review group of IT and finance experts who validate the technical and financial feasibility of proposed business cases. This oversight ensures independent review and accountability at key decision points.

A specialised Project Management Office (PMO) was also established to provide centralised oversight, promote standardised practices and ensure all projects follow a consistent governance framework.

The Department is fully committed to continuous improvement of our project management capability and regularly reviews processes to ensure they remain effective and aligned with best practice. To this end, a project and portfolio management maturity exercise was carried out in 2024 to benchmark current practices and identify areas for improvement. Findings from this assessment will inform future targeted enhancements to our methodology.

The PMO will update the Department's project handbook and processes to reflect this by end November 2025. To implement this, the PMO will make targeted updates to the project handbook and supporting templates, focusing on the following areas.

- Project and process design: strengthening the project initiation section to include clearer guidance on defining objectives, scopes, and governance arrangements, as well as updated checkpoints at each project phase.
- Global estimated costs: introducing a new subsection and template requirement for capturing high-level cost estimates at initiation stage, with guidance on refining these estimates as projects progress through the lifecycle.
- Reporting mechanisms: building on the existing status update template by
  - Standardising red, amber, green (RAG) criteria and thresholds for consistency across projects.
  - Enhancing the portfolio level dashboards to provide Senior Management with an overview of cost, schedule, risk and benefit trends.
  - Embedding exception reporting and escalation triggers (e.g. when cost or schedule variance exceeds defined limits).
  - Clarifying reporting and audience, ensuring alignment from project teams through to senior management and oversight committees.

#### **Timeline for implementation**

End of November 2025.

#### ***Anticipated benefits***

- 9.68** For the two operational projects reviewed as part of this examination, it was clear at the outset what the anticipated benefits were, but economic values were not always associated with these expected benefits. The complete estimated costs of the projects were not always evident from the planning documentation.
- 9.69** Post-completion reporting on the projects quantified and evaluated some of the benefits achieved, and this suggests that value has been obtained from the interconnected systems. However, to be able to assess the success of projects and ensure they are delivering valuable benefits for the costs incurred, a clear mapping of the benefit/cost relationship of the projects is needed.

- 9.70** The Department stated that the benchmarking carried out in the 2024 exercise identified measuring and managing benefit realisation as a key area for development and that it is currently identifying actions to develop this area.

### **Recommendation 9.2**

The Department should ensure that post-project reviews explicitly address each anticipated benefit as recorded during the planning stage and conclude on whether the benefit has been achieved, in line with the results of the Department's benchmarking exercise.

#### **Accounting Officer's response**

Agreed.

In 2024, the Department assessed the maturity of its project management processes. The maturity level is benchmarked against peers — in this case, other Government organisations. The Department achieved a score of 3 in this assessment, against a peer benchmark of 2, indicating a much higher than average level of maturity in relation to project management within the Department.

From this exercise, measuring and managing benefit realisation was identified as a key area to focus on and develop. Actions are currently being identified by the PMO to address this, and it is a focus of all new business cases.

Work is already ongoing to review processes around benefits realisation and this will be completed by the end of October 2025. The PMO will update the Department's project handbook and processes to reflect this immediately thereafter, to be completed by the end of November 2025.

In particular:

- Benefits identification and planning: reinforcing requirements at the project initiation stage to document anticipated benefits clearly, defined measures of success.
- Benefits tracking during delivery: introducing guidance for periodic review of benefits as projects progress, ensuring early visibility of risks to benefits realisation.
- Post-project review: revising the post-project review template to include a mandatory assessment of each benefit identified as the planning stage, with a conclusion on whether it has been achieved, partially achieved, or not achieved.
- Portfolio oversight: ensuring lessons learned from benefits reviews are captured and fed back into departmental planning and decision-making.

#### **Timeline for implementation**

End of November 2025.

# 10 Management of international protection accommodation contracts

**10.1** International protection (IP) is granted by a government to someone who has left another country to escape being harmed. Ireland is legally obliged to examine the application of any person who arrives in the country claiming protection.<sup>1</sup> This process is undertaken through the Department of Justice, Home Affairs and Migration (the Department of Justice). Individuals awaiting a decision on their application for IP are referred to as 'international protection applicants' (IP applicants).

**10.2** Since 1 May 2025, the Department of Justice is also responsible for the provision of accommodation and related services to IP applicants who require these supports, through its International Protection Accommodation Service (IPAS).<sup>2</sup> Prior to this date, these functions were undertaken by the Department of Children, Disability and Equality. The transfer of functions included transfer of the IPAS staff and records, for which the Department of Justice is now accountable.

**10.3** The number of IP applicants arriving in Ireland has increased significantly in recent years, with a consequent increase in the number of applicants seeking State-supported accommodation.<sup>3</sup> This has resulted in the demand for accommodation surpassing availability. Consequently, the IPAS had to source additional accommodation, for example commercial hotels and guesthouses, on an emergency basis.

**10.4** Due to an ongoing accommodation shortage, the IPAS has not been able to provide accommodation to all IP applicants who require it. Single male IP applicants in particular have been impacted by this shortage.

**10.5** In March 2024, the Government approved an accommodation strategy which aims to reduce the State's reliance on commercial providers by 2028 through increasing State-owned bed capacity to 14,000.<sup>4</sup> The reliance on commercial providers will be for contingency and emergency accommodation only, totalling up to a further 21,000 beds.

<sup>1</sup> The [International Protection Act 2015](#) governs the IP system in the State.

<sup>2</sup> Related services include, *inter alia*, meals, utilities and access to medical services.

<sup>3</sup> In 2022, the number of IP applications was just over 13,600. In 2024, there were over 18,500 IP applications.

<sup>4</sup> [Comprehensive Accommodation Strategy for International Protection Applicants](#).

<sup>5</sup> One property was visited twice.

**10.6** This examination was undertaken to review whether

- sufficient due diligence/compliance checks are carried out by the IPAS prior to entering into contractual arrangements for temporary accommodation for IP applicants
- the IPAS has an adequate system in place for monitoring temporary accommodation contract performance.

**10.7** The examination team interviewed IPAS staff, reviewed a range of documentation, selected a sample of 20 properties to assess pre-contracting due diligence checks and contract compliance, and visited 13 of these properties.<sup>5</sup> This report reflects the processes in place and the expenditure incurred before the transfer of functions to the Department of Justice, unless otherwise stated.

## IP applicants requiring accommodation

- 10.8** At end 2024, 32,702 IP applicants availing of State-provided accommodation were resident in 326 accommodation centres (see Figure 10.1 and Figure 10.2).<sup>1</sup> Around three quarters of these applicants were resident in 269 emergency accommodation centres provided by commercial operators. The remaining IP applicants were primarily resident in 49 IPAS long-term accommodation centres, the majority of which are commercially owned and were competitively procured.<sup>2</sup>
- 10.9** At end 2024, the IPAS was unable to provide accommodation for 3,285 single male IP applicants. This had reduced to 2,577 by end June 2025 and to around 720 by late August 2025.
- 10.10** By end June 2025, there was a slight decrease in the overall number of IP applicants availing of State provided accommodation. However, the number of IP applicants resident in emergency accommodation centres had increased by around 2%, while those in IPAS long-term accommodation and State-owned accommodation decreased by 6% overall.
- 10.11** Despite the overall aim of the strategy to move to State-owned and operated accommodation, the number of persons accommodated in emergency commercial accommodation is increasing.

1 Of the 32,702 IP applicants, 9,015 (28%) were children.

2 Seven of the (49) centres are State-owned.

**Figure 10.1 Analysis of IP applicants by accommodation type, 2019 – 2025<sup>a</sup>**

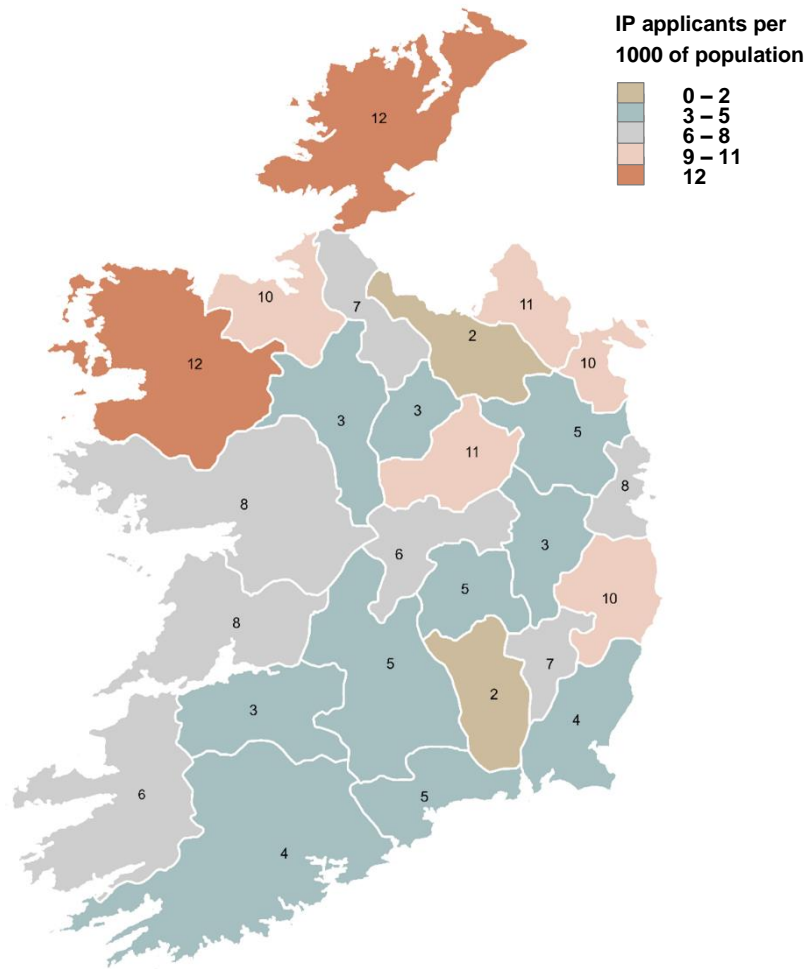
	2019	2020	2021	2022	2023	2024	2025
<b>Total number of IP applicants accommodated</b>	<b>7,683</b>	<b>6,997</b>	<b>7,244</b>	<b>19,104</b>	<b>26,279</b>	<b>32,702</b>	<b>32,689</b>
<b>Total number of accommodation centres</b>	<b>78</b>	<b>73</b>	<b>70</b>	<b>154</b>	<b>258</b>	<b>326</b>	<b>324</b>
<b>Emergency accommodation</b>							
- <i>IP applicants</i>	1,512	1,148	1,046	10,869	17,862	24,718	25,221
- <i>Accommodation centres</i>	37	28	24	106	204	269	269
<b>IPAS long-term accommodation</b>							
- <i>IP applicants</i>	5,731	5,575	5,737	6,853	7,071	6,518	6,447
- <i>Accommodation centres</i>	40	44	45	46	49	49	50
<b>Other State-owned accommodation<sup>b</sup></b>							
- <i>IP applicants</i>	440	274	461	1,382	1,346	1,466	1,021
- <i>Accommodation centres</i>	1	1	1	2	5	8	5

Source: Department of Justice, Home Affairs and Migration. Analysis by the Office of the Comptroller and Auditor General.

Notes: a Reflects the position as at end December for each of the years 2019 to 2024; and to end June 2025.

b Includes the National Reception Centre, the Citywest Transit Hub (from 2022) and tented accommodation (from 2023). The tented accommodation centres are on State-owned land.

**Figure 10.2 Per capita distribution of IP applicants in State-provided accommodation, 31 December 2024<sup>a</sup>**



Source: Department of Justice, Home Affairs and Migration. Analysis by the Office of the Comptroller and Auditor General.

Note: a Includes all accommodation i.e. permanent centres, emergency accommodation, Citywest Transit Hub, National Reception Centre and tented accommodation.

### Sourcing accommodation

1 Public RFT — [Bespoke Panel Agreement for the Provision of Accommodation Services and Related Services for Persons Seeking International Protection.](#)

2 The process was re-advertised as the initial response did not generate sufficient accommodation.

3 Direct sourcing involves engagement with existing providers or known sources.

**10.12** In response to the increasing numbers of IP applicants, the IPAS ran a public procurement process in early 2022 for the provision of IP accommodation and related services.<sup>1</sup> The procurement process was re-advertised in November 2022.<sup>2</sup> On foot of the process, the IPAS entered into 25 contracts for accommodation centres for the provision of 2,612 rooms (in total). Seven of these contracts have since expired.

**10.13** The IPAS also sources emergency accommodation for IP applicants through expressions of interest from potential providers and through direct sourcing.<sup>3</sup> Some accommodation previously used for Covid-19 related purposes is also being used for IP applicant accommodation.

## Accommodation costs

- 10.14** The IPAS incurred expenditure of almost €1.1 billion on the provision of accommodation and related services to IP applicants in 2024 (see Figure 10.3). IP applicant related expenditure has increased more than eightfold over the period 2019 to 2024.
- 10.15** Costs have increased over the period mainly due to the following.
- The increasing number of new IP arrivals requiring accommodation. The number of IP applicants in accommodation (as measured at year-end) increased over fourfold in the period 2019 to 2024.
  - The increasing time taken to process IP applications, leading to IP applicants residing in State-provided accommodation for long periods. An external estimate of the end-to-end median processing time for IP applications as of May 2024 was around 17 months.<sup>1</sup>
  - IP applicants continuing to reside in State-provided accommodation after receiving permission to remain in the State. Almost 5,300 persons with protection status continued to reside in State-provided accommodation at end 2024, representing around 16% of IPAS residents.<sup>2</sup> At end July 2025, around 5,000 applicants that have been granted protection status remained, with permission, in IPAS accommodation.
  - IP applicants whose applications to remain in the State have been denied remaining in accommodation while appealing the decision.
  - Accommodation and ancillary services primarily being provided by commercial operators, with the IPAS under pressure to secure additional places.
- 10.16** The Department of Justice stated that total IP applications for 2019 to 2021 was just under 9,000, increasing to almost 45,000 applications for the period 2022 to 2024. It stated that the State's ability to negotiate and meet the unprecedented demand for accommodation together with inflationary and other pressures is reflected in a higher increase in expenditure relative to the increased demand.<sup>3</sup> Due to the timing of payments, it was not possible for the examination team to accurately compare increasing monthly expenditure with the number of applicants accommodated.<sup>4</sup>
- 10.17** Also, it was not possible to accurately calculate an average cost per night in 2024 for either emergency accommodation or for State-owned accommodation. This was due to some costs for facilities management services for State-owned accommodation being recorded by the IPAS as commercial expenditure. This arises where such costs for both State-owned and commercial properties are included in just one invoice.
- 10.18** An Irish Government Economic Evaluation Service (IGEES) analytical paper (June 2025) found that the average cost per night in 2024 to accommodate an IP applicant in privately provided (mostly emergency) accommodation was €92 compared with €34 for State-owned accommodation.<sup>5</sup>

<sup>1</sup> [Managing IPAS Expenditure Pressures: Demand-Side Drivers and Policy Responses](#), Irish Government Economic Evaluation Service (June 2025). The paper noted that the median processing time started to decrease in the latter part of 2024.

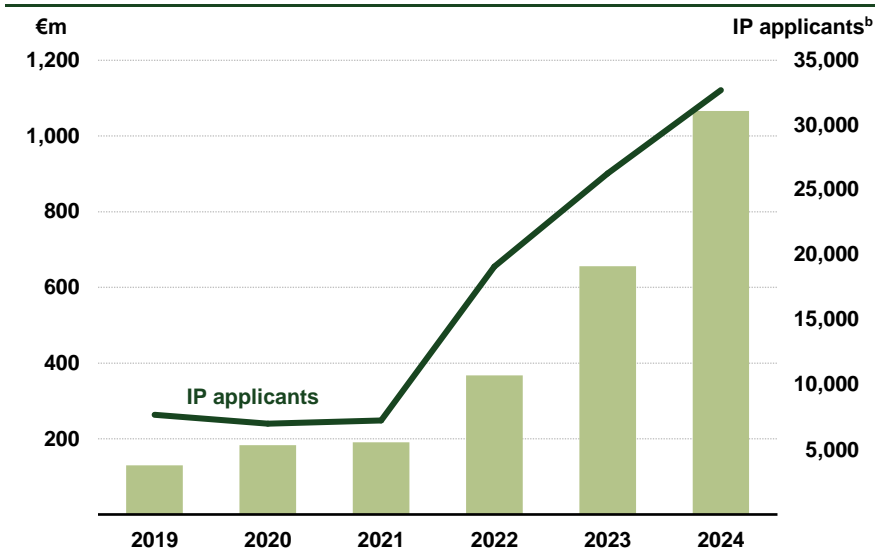
<sup>2</sup> The IGEES paper (see previous side note) identified that at end 2024, 5,292 persons with permission to remain in Ireland had not transitioned to independent living.

<sup>3</sup> The unprecedented demand included accommodation for both IP applicants and persons fleeing the war in Ukraine.

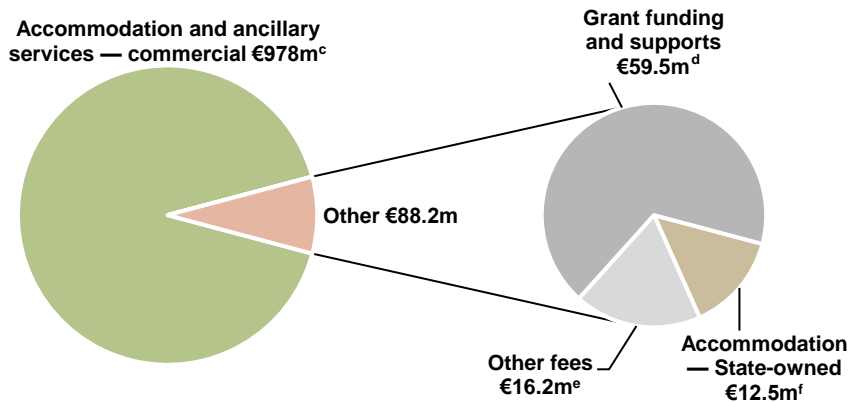
<sup>4</sup> Payments made in a month did not necessarily relate to the accommodation provided in that month.

<sup>5</sup> The IGEES report notes that the calculated cost per night per person in IPAS accommodation is the average of the monthly cost per night per person weighted by occupancy levels each month to capture fluctuations in the number of residents over the year.

**Figure 10.3 Expenditure on accommodation and on related services for IP applicants, 2019 to 2024<sup>a</sup>**



**Accommodation and related services for IP applicants €1,066m — 2024**

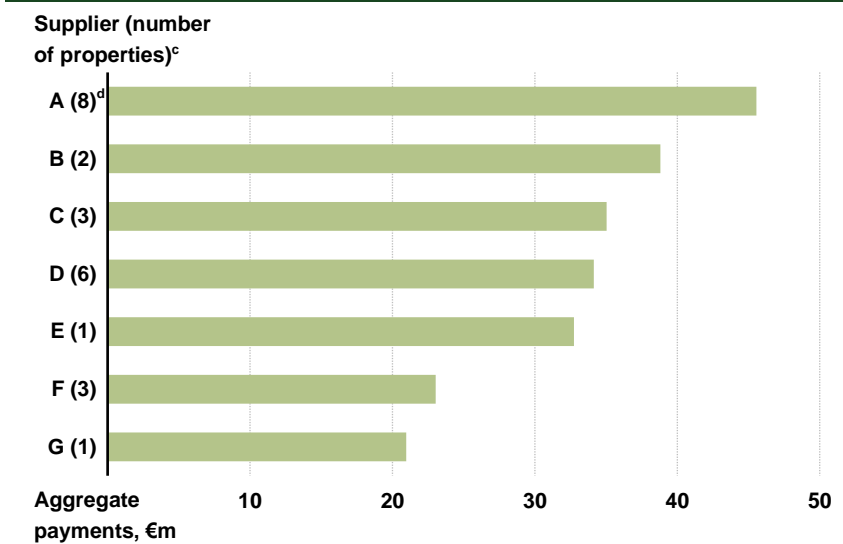


Source: Vote 40 Children, Equality, Disability, Integration and Youth appropriation accounts 2020 – 2024; and Vote 24 Justice appropriation account 2019. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a Expenditure incurred in 2019 was accounted for in Vote 24 Justice appropriation account.
  - b This refers to IP applicants in State-provided accommodation at the end of each year. It does not include unaccommodated single males who have sought State-provided accommodation.
  - c This mainly relates to all contracted accommodation (including the Citywest Transit Hub) with the exception of some facilities management costs for State-owned accommodation (see footnote f).
  - d This includes €41.7 million paid to Tusla — Child and Family Agency, primarily to house separated children seeking IP. It also includes payments to local authorities for integration (support) teams; payments for Children and Young People’s Services Committee projects; and payments to some non-governmental organisations, local development companies and other community groups for support services for migrants.
  - e This includes costs for consultancy, transport, inspections, licence fees, the State Claims Agency and settlement costs. Also included is €3.7 million capital expenditure incurred in the purchase of modular homes.
  - f This includes facilities management, utilities and other incidental costs for State-owned properties. However, where a facilities management operator provides services for both State-owned and emergency accommodation centres, the associated costs may be included under ‘Accommodation and ancillary services — commercial’.

**10.19** Payments to commercial providers for accommodation and ancillary services for IP applicants (excluding costs charged to State-owned facilities) totalled around €978 million in 2024. Almost €230 million (24%) of this was paid to just seven commercial providers, each receiving in excess of €20 million (see Figure 10.4).

**Figure 10.4 Payments in excess of €20 million to commercial providers, and number of properties, 2024<sup>a,b</sup>**



Source: Vote 40 Children, Equality, Disability, Integration and Youth appropriation account 2024. Analysis by the Office of Comptroller and Auditor General.

- Notes:
- a This includes commercial entities which provide multiple properties but excludes connected parties that provide property through different entities.
  - b Five of the seven suppliers provide emergency accommodation. One supplier provides IPAS long-term accommodation and one supplier provides facilities management/catering services at a number of IPAS long-term accommodation centres.
  - c The type and capacity of the properties vary.
  - d Includes expenditure on set-up related services provided at a small number of other centres that subsequently were not designated as active IPAS centres.

### Pre-contract due diligence

**10.20** Due diligence (including background) checks enable public bodies to identify and mitigate the risks associated with doing business with third parties. These checks include ensuring that potential providers are who they claim to be; have a proven relevant track record; and have the capacity and capability to deliver the required contracted services over the agreed contract period.

**10.21** Typical due diligence checks to be undertaken when procuring accommodation and ancillary services on behalf of the State are set out in Figure 10.5. The IPAS stated that its due diligence processes broadly align with these checks, except that at pre-contracting stage it does not assess or take into consideration

- the financial stability of the proposed accommodation provider, or
- the provider’s customer support and responsiveness to queries, requests or concerns.

**Figure 10.5 Typical pre-contract due diligence checks**

	<input checked="" type="checkbox"/> Research and background	<input checked="" type="checkbox"/> Insurance coverage
	<input checked="" type="checkbox"/> Evaluation of accommodation offered	<input checked="" type="checkbox"/> Financial stability of the proposed provider
	<input checked="" type="checkbox"/> Visit to proposed accommodation	<input checked="" type="checkbox"/> Tax compliance
	<input checked="" type="checkbox"/> Safety and security of facilities	<input checked="" type="checkbox"/> Compliance with relevant laws, regulations and industry standards
	<input checked="" type="checkbox"/> Customer support/responsiveness to queries, requests	<input checked="" type="checkbox"/> Ownership of facility/lease agreement

Source: Office of the Comptroller and Auditor General

**10.22** The IPAS also stated that, since March 2024, a declaration is required at the contracting stage as to personal circumstances of the contractor which covers their financial stability.<sup>1</sup> The declaration requires, *inter alia*, confirmation that the contractor has never been convicted for corruption, fraud, terrorist-related activities, money laundering, etc. Confirmation is also required that the contractor is not in breach/has not breached their obligations regarding the payment of taxes or social security contributions.

**10.23** This declaration must be signed in the presence of a Commissioner for Oaths or practising solicitor. A further declaration in respect of the Foreign Subsidies Regulation was introduced from April 2025.<sup>2</sup>

**Pre-contracting compliance assessment**

**10.24** For an offer of accommodation to be considered by the IPAS, the provider is required to complete a proposal template (self-declaration).

**10.25** The examination team assessed compliance with the IPAS’s pre-contracting proposal requirements for a sample of 20 accommodation centres.<sup>3</sup> It found that the specified requirements were incomplete in many instances (see Figure 10.6).

**10.26** The Department of Justice stated that (as of end August 2025) the following information for the sample properties reviewed by the examination team is now on file.<sup>4</sup>

- Insurance certificates for 13 properties.
- Fire certificates or other documentation providing fire safety assurance (e.g. fire safety compliance assessment) for 15 properties. It stated that fire certificates vary across local authorities and that not all local authorities record a property’s capacity on the fire certificate.
- Evidence of property ownership for ten properties.
- Planning documentation for ten properties. The Department stated that some of the properties were brought into use in 2022 when demand for accommodation outstripped supply and prior to the planning exemption being introduced.

1 The declaration covers the declarant and members of the administrative, management or supervisory body of the named entity. It also covers those with powers of representation, decision or control in the entity.

2 [Regulation \(EU\) 2022/2560](#) on foreign subsidies distorting the internal market.

3 A summary of the outcome of the examination team’s review of documentation for the 20 properties reviewed is included in Annex 10A.

4 The IPAS has terminated the contract for 1 of the 20 sample properties.

**Figure 10.6 Pre-contracting compliance assessment for 20 accommodation centres<sup>a</sup>**

Proposal template (self-declaration) requirement <sup>b</sup>	Finding
Disclose the <b>type of accommodation</b> that can be provided.	Completed proposal documents were only available for seven (35%) of the properties.
Provide <b>companies registration</b> office (CRO) number.	<ul style="list-style-type: none"> <li>• CRO numbers were correct in all instances except one — the examination team found that the CRO number for one provider did not agree with the number (for the provider) per the CRO website.</li> <li>• Separately, the IPAS did not provide evidence that it had carried out its own check of the provider numbers using the CRO website.</li> </ul>
Hold a valid <b>insurance certificate</b> for the proposed premises.	Insurance certificates were only available for eight of the properties (40%).
Hold a valid certificate of compliance with <b>fire safety</b> standards reflecting the area in the building to be used and the proposed occupancy level.	<ul style="list-style-type: none"> <li>• Appropriate fire certificates covering the proposed properties were only available for nine centres (45%). However, none of the fire certificates clearly reflected the proposed occupancy level.</li> <li>• While fire certificates were provided for a further five properties                             <ul style="list-style-type: none"> <li>— one related to the year 2025, not pre-contract</li> <li>— one covered just one of two buildings being proposed</li> <li>— one related to a property operating as commercial offices and not as apartments for IP applicants</li> <li>— one was from 2005 (a 2015 consultant’s report had recommended that a new certificate be obtained to cover alterations since the issue of the original certificate)</li> <li>— one covered fewer rooms than subsequently contracted (22 versus 26).</li> </ul> </li> </ul>
Provide proof of <b>legal ownership of the building</b> or a copy of the lease agreement in place.	Evidence provided for just one property (5%) by way of a lease agreement.
Provide evidence of <ul style="list-style-type: none"> <li>• full <b>planning permission</b> for use of the premises as IP accommodation, or</li> <li>• where relevant, application to the relevant planning authority for the property to be considered as an exempted development under the (planning) regulations.</li> </ul>	Evidence of planning permission/application for exemption under the planning regulations had been provided for just four properties (20%).

Source: Department of Justice, Home Affairs and Migration. Analysis by the Office of Comptroller and Auditor General.

Notes: a See paragraph 10.72 for the examination team’s assessment of tax compliance.

b The requirements are based on the 2024 proposal form. An updated form has been introduced for 2025.

### *Change of use requirements*

- 10.27** The temporary change of use of certain specified structures is permitted for the purpose of temporarily providing accommodation for IP applicants.<sup>1</sup> Regulations introduced by the Minister for Housing, Local Government and Heritage in November 2022 permitted this changed use up to 31 December 2024.<sup>2</sup> In July 2023, under amended regulations, the change of use timeline was extended to 31 December 2028.<sup>3</sup>
- 10.28** The planning regulations require a property provider to notify the relevant local authority of the locations where change of use is taking place prior to commencement of development. The IPAS stated that it does not keep records of properties which have been notified to local authorities for change of use as IP accommodation.
- 10.29** The IPAS stated that since January 2023, it contacts local authorities, early in the appraisal process, to ascertain whether they hold any relevant information on property proposed for accommodating IP applicants. This consultation process was not undertaken for centres undergoing contract renewals which had previously been procured.
- 10.30** The IPAS also stated that, since July 2024, it requires providers to submit a section 5 declaration of exempted development with the accommodation proposal template.<sup>4</sup> For contract renewals, providers are required to provide written evidence permitting use of the building for the accommodation of IP applicants.

<sup>1</sup> The specified structures include, *inter alia*, any structure or part of a structure used as a school/college/university/training centre, social centre, community centre, non-residential club, sports club or stadium, gymnasium, hotel, convention centre, conference centre, shop, office, Defence Forces barracks, etc.

<sup>2</sup> [SI 605/2022 — Planning and Development \(Exempted Development\) \(No. 4\) Regulations 2022](#).

<sup>3</sup> [SI 376/2023 — Planning and Development \(Exempted Development\) \(No. 4\) Regulations 2023](#).

<sup>4</sup> A section 5 declaration of exempted development is issued by the relevant local authority under the Planning and Development Act 2000 (as amended). The declaration sets out if a proposed development is considered exempt from the requirements to obtain planning permission.

<sup>5</sup> The remaining contract was signed, for a duration of two years, in 2023. A pre-contracting inspection had not been carried out on the proposed property.

<sup>6</sup> Sourced from [IPAS weekly accommodation and arrivals statistics](#) as at end December 2024.

### *Pre-contract inspections*

- 10.31** Prior to 2024, pre-contract inspections were not carried out for all properties. The IPAS stated that since early 2024, all properties are inspected prior to contract. This is to determine capacity, adherence to the minimum space requirements per person and sufficiency of facilities for the number of residents proposed to be accommodated.
- 10.32** Nine of the ten contracts available for the 20 sample properties reviewed by the examination team were signed in 2024.<sup>5</sup> However, a pre-contract inspection had been carried out for just one of the proposed properties.

### **Contract compliance**

- 10.33** At end 2024, there were 326 centres providing accommodation to IP applicants.<sup>6</sup> However, two of the centres were covered by one contract, reducing the number of expected contracts to 325. Active or 'in date' contracts were in place, at end 2024, for 164 centres. For the remaining 161 centres, housing 13,785 IP applicants, 60 were recorded by the IPAS as being in a 'renewal process', while the status for 101 centres was not recorded.
- 10.34** By end July 2025, there was only a marginal increase in the number of centres with active contracts, from 164 to 168. The remaining centres continued to provide accommodation services in the absence of 'in date' contractual arrangements. The Department of Justice stated that expired contracts continue to operate under the terms of the original agreement until a new contract is executed or the agreement is formally terminated.

### ***Contracted terms and conditions***

- 10.35** Contracts with accommodation providers should clearly set out the rights and obligations of the parties to the contract; the services to be delivered; and the timeframe and frequency of delivery and the payment terms.<sup>1</sup>
- 10.36** Signed contracts covering payments in 2024 were not available for 10 of the 20 properties (50%) reviewed by the examination team. As a result, payments were being made on non-contractual terms, and the capacity of the IPAS to properly verify (and/or enforce where required) the agreed service delivery was undermined.

### ***Compliance with planning/fire safety regulations***

- 10.37** The examination team found that the ten available contracts for the sample properties reviewed included express requirements on the accommodation provider to comply with planning and fire safety regulations. The contracts also required that residents must be made aware of the accommodation rules regarding fire safety.
- 10.38** All ten contracts included a warranty with the onus on the accommodation provider to ensure that the relevant fire certification and procedures were in place in accordance with the Fire Services Act.
- 10.39** In nine of the (ten) contracts, the provider acknowledged that no planning enforcement notices under the Planning and Development Acts 2000 to 2021 had been received.<sup>2</sup> Similarly, the provider acknowledged that no fire safety notices (i.e. warnings) had been served by the relevant local authority on the provider regarding the property.

<sup>1</sup> Contracted terms and conditions can vary across providers primarily due to the type and location of accommodation, the nature of the ancillary services provided and the basis of payment.

<sup>2</sup> This clause was not included in the remaining contract, which was signed in September 2023. The contracts for the other nine properties were signed in 2024.

<sup>3</sup> Such a termination is without liability for compensation or damages.

<sup>4</sup> [National Standards — Department of Justice 2019](#) are the current standards that apply to accommodation offered to persons in the protection process.

- 10.40** In general, contracted terms and conditions allow for the immediate termination of a contract where there is a change in the planning or fire safety status of the accommodation.<sup>3</sup> This includes a change of the planning exemption status which negatively impacts on the property's continued use for IP accommodation.

### ***Compliance with accommodation requirements***

- 10.41** The national standards for accommodation for persons in the IP process prescribe a minimum space requirement of 4.65m<sup>2</sup> for each resident per bedroom.<sup>4</sup> The standards also prohibit the use of bunk beds for persons aged 15 and over, unless requested.
- 10.42** Nine of the ten available contracts included provisions specifying the minimum space allocation for residents. The same specification was not included in the remaining contract — signed in 2023 — as the specification was only introduced in 2024 for new contracts.

**10.43** The examination team observed during site visits to 13 accommodation centres that

- bunk beds were in use for adults in three centres in apparent contravention of the national standards and in contravention of the contracted terms and conditions in two of the centres<sup>1</sup>
- the size of room and room occupancy levels in some locations appeared to breach the specified minimum space requirement for each resident.

**10.44** The IPAS stated that, although the national standards were set in 2019, they were only adopted for emergency IP accommodation centres in mid-2023. Consequently, some properties contracted in 2022 and 2023 were not subject to the standards.

**10.45** The Department of Justice stated that due to the unprecedented numbers seeking accommodation, it has had to avail of repurposed office buildings, decommissioned army barracks and tents to address reception capacity shortfalls. This also includes the use of bunk beds, where necessary, to maximise the number of available bedspaces in a property. It also stated that under the comprehensive accommodation strategy, the Department is committed to reducing reliance on such arrangements.

### ***Contract breaches***

**10.46** While a formal contract compliance function was set up in December 2023, its scope and process were only documented in June 2025. The function focuses on the contractual compliance of properties provided by commercial operators and excludes State-owned properties.

**10.47** Prior to the introduction of a compliance tracker in April 2025, the IPAS did not formally log contract breaches identified for follow up.<sup>2</sup> Contract breaches are now categorised by compliance category within the tracker and are assigned a risk rating. Each issue is assigned to a case worker to manage to resolution. Where the issues are not resolved within a specified timeframe, the contract may be terminated.

**10.48** As at mid-June 2025, there were 118 issues recorded on the compliance tracker relating to around 80 providers. Over 80% of the issues had a risk rating of 16 or higher (the maximum rating is 25). Of these issues,

- 89% related to 'unavailable beds'<sup>3</sup>
- 9% related to health and safety
- 2% related to overcharging and overcapacity.

<sup>1</sup> The third centre managed by the IPAS is subject to a licence agreement which does not specify accommodation requirements.

<sup>2</sup> Contract compliance issues are identified from inspections and other sources such as invoice reviews, helpdesk, contract renewals and external sources.

<sup>3</sup> Beds may be marked as 'unavailable' by a provider for, *inter alia*, maintenance and medical reasons.

**10.49** Regarding these non-compliances, the Department of Justice stated the following.

- Reliable data on the percentage of unavailable beds is now available with the introduction of a new IT system called Bedspace in February 2025.<sup>1</sup>
- A better inspection regime has led to an improvement in the resolution of health and safety issues. The Department noted that for a sample of 20 properties inspected in both 2024 and 2025, the standards in 14 of the centres had improved between inspections. Also, two of the (20) centres were closed due to issues identified during the inspection.
- An improved contract renewal process has uncovered overcharging and overcapacity. The Department noted that as of late August 2025, the contracts team had identified seven cases of overcharging totalling almost €4.5 million.<sup>2</sup> The overpayments occurred over various periods, with some dating back to 2023. Recoupment plans have been agreed for five of the cases, and two cases are pending agreement.
- Recoupment plans have been agreed with another provider in respect of overcharges totalling €557,600 identified by a bedspace audit, covering the periods November 2023 to November 2024 and January to July 2025. Recoupment has also been agreed with a provider for approximately €69,000, for the unsanctioned transition from full board to self-catering, covering the period November 2024 to March 2025.

## Payment controls

**10.50** In general, payments to IP accommodation providers are based on the availability of the agreed room capacity of the property. This means the provider is paid the contracted rate regardless of whether the contracted rooms are occupied or not.

**10.51** Typically, accommodation providers are paid monthly in advance. Amounts invoiced by providers include the contracted room rate, charges for additional room occupants and charges for certain ancillary services (e.g. laundry, security costs).<sup>3</sup>

**10.52** For the ten contracts available for review by the examination team

- eight were based on capacity
- two were based on a combination of capacity and occupancy — a capacity-based single occupancy room rate, with a supplementary charge for each additional occupant.

**10.53** The IPAS stated that the accommodation market has changed significantly over time. In periods of acute shortages, it was extremely difficult to source accommodation at favourable rates.<sup>4</sup> Consequently, where there was a risk of no shelter for families in particular, it agreed to rates exceeding average rates for existing IPAS accommodation.

<sup>1</sup> Bedspace is a bespoke electronic bed management system used to allocate accommodation to IP applicants.

<sup>2</sup> Two of the cases relate to one provider.

<sup>3</sup> Ancillary services may be invoiced separately in the following month, after they have been provided.

<sup>4</sup> At the height of the Ukrainian response crisis, sourcing separate accommodation simultaneously for beneficiaries of temporary protection and for IP applicants was particularly challenging.

**10.54** The Department of Justice has stated that contracts for IP accommodation services include both the use of the building and ancillary services such as food, laundry, security and transport. A 'per person per night' rate is paid to the provider to deliver these services. Consequently, it is not viewed in the same manner as the private rental market. It stated that a primary objective is that it does not interfere with that market in sourcing/contracting accommodation for IP applicants.

### ***Review of payments***

**10.55** The examination team reviewed 40 payments made in 2024 for the 20 sampled properties and found that

- the detail in some invoices lacked clarity
- it was not possible to reconcile claimed capacity in some cases, as contracts were not available
- it was unclear if claimed occupancy, where applicable, was cross checked by the IPAS with its own records or the weekly registers submitted by the providers.

**10.56** The pre-payment checklist used by the IPAS does not include a check to verify that the correct capacity, or occupancy where applicable, has been charged for by the provider.

**10.57** More specifically, the examination team found the following.

- For 14 (35%) of the payments, the invoiced rate was not clear or could not be verified as signed contracts were not available.
- One payment was based on a total capacity of 97 residents, albeit the contracted capacity was 92 residents, indicating a potential overcharge of around €11,600 for February 2024.
- Four payments included VAT charges totalling €884,000 for the accommodation element of the invoice, even though the accommodation provision is VAT exempt.

**10.58** One invoice examined included a VAT refund of just under €490,000, which was netted against the overall invoiced amount. Over the period 1 March 2022 to 30 June 2023, the provider had incorrectly charged VAT for contracted emergency accommodation in six properties, totalling €2.3 million.<sup>1</sup> Following clarification that the provision of emergency accommodation is an exempt activity, the provider group made the refund to the IPAS in April 2024.<sup>2</sup> However, the amount refunded was €1.8 million less than the total VAT overcharged by the provider.

<sup>1</sup> The Department became aware of the overcharge in December 2023.

<sup>2</sup> The provider received clarification from the Office of the Revenue Commissioners (Revenue) and the Department of Finance that the provision of emergency accommodation is VAT exempt.

**10.59** Following enquiry, it was established that the provider had overcharged the IPAS for VAT totalling €7.4 million (including the €2.3 million noted above) relating to three different VAT registrations for the period March 2022 to 31 December 2023. The provider has refunded amounts totalling €1.5 million to date. The Department of Justice has stated that recovery of the remaining VAT overcharge remains under review.

- 10.60** Separately, the examination team found that the contracted capacity in one property included three rooms which were not being used to accommodate IP applicants.<sup>1</sup> Based on the single occupancy daily room rate of €169 for the property, the IPAS was being overcharged by at least €15,000 each month.
- 10.61** The Department of Justice confirmed the examination team's finding.<sup>2</sup> It stated that a forensic investigation of the centre's register returns and supporting documentation will be undertaken for the relevant period. If the investigation finds insufficient evidence validating the availability of the rooms, a recoupment will be calculated.
- 10.62** The Department also stated that in the context of over 32,000 beds, the IPAS is endeavouring to ensure availability of all contracted beds; compliance with contracts; and adherence to standards. It stated that issues relating to bed capacity and management are the subject of significant focus as the service moves towards a more sustainable and value for money model of providing material reception conditions.<sup>3</sup>

#### *Hybrid arrangements*

- 10.63** Hybrid arrangements evolved when accommodation demand for Ukrainian 'beneficiaries of temporary protection' (BOTPs) reduced in 2024, creating capacity in some accommodation centres to also house IP applicants. Providers raise separate invoices for the IP and BOTP accommodation provided in these accommodation centres. During 2024, hybrid arrangements were in place in 25 accommodation centres.
- 10.64** The examination team reviewed a sample of three hybrid accommodation arrangements.<sup>4</sup> It found that
- there were no signed contracts with the providers, covering either the IP or BOTP accommodation for 2024
  - the capacity, and/or where applicable, the occupancy, claimed on the IP invoices could not be vouched to any supporting documentation
  - for two of the arrangements, the invoiced room/bed rates could not be vouched to any form of agreement — in the other case, the rate could be matched to an email between the IPAS and the provider
  - there was no evidence of any check confirming that there was no duplication between the beds claimed on the IP invoice and the BOTP invoice, for each centre, to avoid any potential overpayment — this is not a prescribed check on the pre-payment checklist used by the IPAS.
- 10.65** The Department of Justice stated that a standard pre-payments checklist used by the Department of Children, Disability and Equality was not tailored to meet the specific requirements of any particular unit. Therefore, checking of the number of beds claimed for payment — which was mainly a concern for the IP division and its contracting of capacity — did not form part of the checklist. It also stated that each invoice approval included, *inter alia*, a declaration by the approver that the payment was in order to issue.
- 10.66** Overpayments totalling €310,000 in 2024 were made in connection with two of the sample hybrid centres. The IPAS has confirmed that the overpayments have since been recouped.<sup>5</sup>

1 This was identified during a site visit to the property by the examination team.

2 The Department undertook an inspection of the property which confirmed the examination team's finding.

3 The provision of material reception conditions in the State are governed by [SI 230/2018 — European Communities \(Reception Conditions\) Regulations 2018](#).

4 One of the hybrid arrangements formed part of the sample of 20 properties.

5 The overpayments were made and recouped by Vote 40.

- 10.67** As of March 2025, known potential overpayments under nine hybrid arrangements totalled approximately €1.3 million.<sup>1</sup> The IPAS stated that all overpaid amounts have been recouped.<sup>2</sup>

#### *Value added tax (VAT)*

- 10.68** In general, the supply of emergency accommodation is exempt from VAT.<sup>3</sup> However, catering services are considered as a separate supply for VAT purposes and are liable to VAT at the appropriate rate.<sup>4</sup> Where there is a supply of emergency accommodation and catering services, the consideration payable must be apportioned between the exempt accommodation and the taxable catering service.
- 10.69** In five of the ten contracts available for review, the chargeable rate was quoted on a VAT-inclusive basis. The chargeable rate in the remaining five contracts was on a VAT-exclusive basis. Neither contract type distinguished between the accommodation charge and the food charge.
- 10.70** The Department of Justice stated that it now requires catering services and any exempt services to be apportioned within all invoices.

- 10.71** The IPAS cannot reclaim VAT incurred. However, its pre-payment checklist does not include a check to confirm the accuracy of the VAT rate and amount of VAT charged. The IPAS stated that application of the correct VAT rate is a matter for the invoicing party with appropriate oversight by Revenue.

#### ***Departmental pre-payment checks***

##### *Tax clearance condition*

- 10.72** Prior to payments being made, checks are carried out to ensure that accommodation providers have valid tax clearance certificates.<sup>5</sup> Tax clearance certificates were available for the 40 payments relating to the 20 sampled properties.

##### *Occupancy of accommodation*

- 10.73** Since most IP accommodation is procured on a capacity (or availability) basis, maximising the occupancy of the contracted accommodation ensures full value is obtained for the expenditure incurred.
- 10.74** The IPAS maintains a bed management and compliance spreadsheet for the allocation of accommodation to IP applicants and management of its available accommodation stock.
- 10.75** The spreadsheet is updated weekly to capture the number of vacant beds using weekly updated occupancy registers submitted by providers to the IPAS.<sup>6</sup> The IPAS follows up by phone call where providers fail to submit the weekly register.<sup>7</sup>

1 This amount includes the overpayments totalling €310,000 for the two sampled hybrid centres.

2 See Vote 40 Children, Equality, Disability, Integration and Youth 2024 at [www.audit.gov.ie](http://www.audit.gov.ie).

3 For emergency accommodation to be considered an exempt supply, it must generally not be open to the public.

4 [Revenue guidance on emergency accommodation and ancillary services](#) sets out the VAT requirements for catering services. The applicable rate in 2024 was 13.5%.

5 The pre-payment checklist requires that the tax clearance certificate is dated within 30 days of the payment date.

6 The register for each accommodation centre records details of the occupants in each contracted room.

7 The register submission compliance rate was not tracked in 2024.

- 10.76** The examination team reviewed the IPAS spreadsheet as at 24 June 2025. The average occupancy for 19 of the 20 sampled properties was 78.5%.<sup>1</sup> The spreadsheet indicated a total of 1,636 vacant beds in the 19 properties. However, follow-up calls by the IPAS to the accommodation providers identified that vacant beds totalled 1,268 — 22% less than the number recorded by the IPAS.
- 10.77** The IPAS stated that vacancies per its spreadsheet may differ from actual vacancies for several reasons. For example, the provider may need to renovate a room, making the room temporarily unavailable; or a family may occupy a room with greater capacity than it requires. Other reasons provided by the IPAS for the unavailability of bedspaces include building/upgrade works and resident welfare considerations.
- 10.78** Good practice suggests a vacancy buffer of around 15% of available beds.<sup>2</sup> The examination team reviewed occupancy levels during site visits in 2025 in seven sampled properties (see Figure 10.7). Total vacancies of 589 beds were identified — representing an average vacancy rate of 24%. However, this rate decreases to 11% when the two reception and dispersal centres are excluded from the sample.<sup>3</sup> The average vacancy rate for these two centres was 39%.
- 10.79** Of the 589 vacant beds across the seven centres, the Department of Justice noted that 60 of these beds were not available for use at the time of the visits. It stated that reasons such as room configuration, maintenance, turnaround times or beds being held for future bookings impact room availability at any given time.

1 The contract for the remaining property was terminated in June 2025.

2 [The Organisation of Reception Facilities for Asylum Seekers in different Member States](#) — European Migration Network Study 2014.

3 The purpose of these centres is to provide temporary short-term accommodation for IP applicants — typically a few days — while suitable longer-term accommodation is identified.

**Figure 10.7 Review of occupancy levels at seven sample properties, May and June 2025**

	Accommodation type	Capacity <sup>a</sup>	Occupancy at date of site visit	Unused bed capacity	Occupancy rate	Date of site visit
1	Transit hub	650	330	320	51%	22 May
2	Other	149	135	14	91%	27 May
3	Hotel	500	370	130	74%	29 May
4	Hotel	842	780	62	93%	30 May
5	Apartments	98	87	11	89%	3 June
6	Hotel	80	71	9	89%	4 June
7	Hotel	144	101	43	70%	5 June
<b>Total</b>		<b>2,463</b>	<b>1,874</b>	<b>589</b>	<b>76%</b>	
<b>Total excluding reception and dispersal centres<sup>b</sup></b>		<b>1,313</b>	<b>1,174</b>	<b>139</b>	<b>89%</b>	
<b>Total for reception and dispersal centres only</b>		<b>1,150</b>	<b>700</b>	<b>450</b>	<b>61%</b>	

Source: Department of Justice, Home Affairs and Migration. Site visits and analysis by the Office of the Comptroller and Auditor General.

Notes: a Reflects the capacity per the 2024 contract or the capacity as confirmed by the operator.

b Centres no.1 and no.3 are classified as reception and dispersal centres.

- 10.80** The Department also stated that reception and dispersal centres are intended to have a high throughput and high availability on any given day. This allows surges and/or applicant groups requiring particular configurations to be assessed and accommodation assigned optimally. Such centres are not designed to operate at or near maximum capacity, given arrivals of over 1,000 per month in 2025.
- 10.81** The Department further stated that where these centres are close to maximum capacity, it is a clear indicator that the accommodation system has reached a critical juncture and is unable to accommodate all those applying for IP. It stated that dynamic capacity is essential, and these centres are designed to cater for fluctuating arrival numbers and facilitate stand up contingency measures, where required.

#### *Personal information — weekly registers*

- 10.82** The General Data Protection Regulation (GDPR) places responsibility on organisations to protect the personal data they hold. Significant fines can be imposed on bodies that violate its provisions. Significant breaches can also result in reputational damage and costly remediation actions.
- 10.83** The examination team noted during site visits that the registers maintained by accommodation providers include a significant amount of personal information. Providers are required to email the registers to the IPAS on a weekly basis. There is a risk that such emails may be intercepted or misdirected through human error.
- 10.84** Contracts with accommodation providers include provisions on data protection and security. Appropriate technical and organisational measures are required to protect against unauthorised or unlawful processing of personal data and against accidental loss or destruction of the data.

#### *Service delivery condition*

- 10.85** Where contracts are in place, contractual terms allow the IPAS to withhold between 10% and 20% of amounts invoiced, if it is dissatisfied with the service provided. The IPAS stated that, in practice, 100% of an invoice is withheld where any compliance or invoicing issue arises. It stated that it maintains a 'watchlist' of accommodation providers where a 'hold' on payments is in place.

### **Inspections of accommodation centres**

- 10.86** Inspections of contracted accommodation — both announced and unannounced — are carried out by IPAS staff and external firms on the IPAS's behalf. A standard inspection report form, based on the national accommodation standards and contractors' contractual obligations, is used to ensure consistency of inspection checks. These checks include a review of fire safety; living conditions; structural safety; and compliance with occupancy limits.
- 10.87** The IPAS drafted standard operating procedures to ensure consistency, accuracy and timeliness in the documentation and communication of inspection findings in early 2025. The Department of Justice has stated that these procedures have been updated since it assumed responsibility for the IPAS.

**Inspection rate**

**10.88** Prior to 2024, inspections of IP accommodation centres were carried out on an *ad hoc* basis, mainly in response to residents’ complaints, observations from information clinics held by the IPAS or internal IPAS requests (see Figure 10.8).

**Figure 10.8 Inspections of accommodation centres, 2022 – 2024**

Centres inspected	2022	2023	2024
IPAS inspections	2	45	244 <sup>a</sup>
External inspections	86	3	56 <sup>b</sup>
<b>Total inspections</b>	<b>88<sup>c</sup></b>	<b>48</b>	<b>300<sup>d</sup></b>
Number of accommodation centres	154	258	326
<b>Inspection coverage</b>	<b>33%<sup>e</sup></b>	<b>19%</b>	<b>82%<sup>f</sup></b>

Source: Department of Justice, Home Affairs and Migration. Analysis by the Office of Comptroller and Auditor General.

- Notes:
- a Includes 30 pre-occupancy inspections.
  - b Includes four pre-occupancy inspections.
  - c 37 centres were inspected twice.
  - d The IPAS inspected 23 centres on two occasions and external firm(s) inspected six centres on two occasions. Another four centres were also inspected twice — once by the IPAS and once by the external firm(s).
  - e This is based on 51 inspections (88 less those inspected twice [37]).
  - f This is based on 267 inspections (300 less those inspected twice [33]).

**10.89** In September 2024, the IPAS introduced a central inspections tracker. This tracker provides an overall view of inspections undertaken and the related trigger for an inspection i.e. pre-inspection, routine, compliance issues.

**10.90** The IPAS’s inspections methodology incorporates both routine and risk-based approaches. It stated that inspections by external providers are scheduled on a quarterly basis, while inspections by IPAS staff are dependent on available resources and the risks identified. Priority is given to serious compliance issues, renewal of contracts and routine inspections.

**10.91** The IPAS did not achieve its 2024 target to inspect each commercial property twice. This was due to resource issues combined with a year-on-year increase of 26% in the overall number of centres. The IPAS stated that, in 2025, it has moved towards a more compliance-based inspection process which responds to risk rather than the number of inspections per centre.

**Inspection follow-up**

**10.92** The IPAS stated that where an inspection identifies areas of partial or non-compliance in an accommodation centre, a bespoke compliance plan is agreed. This plan sets out the specific and time-bound measures required to ensure full compliance with the contract. The IPAS also stated that ongoing improvement in compliance is seen through this process.

### *Inspection reports reviewed by the examination team*

**10.93** The examination team reviewed inspection reports for 18 of the 20 sampled properties — 16 related to 2024 and two related to 2025.<sup>1,2</sup> The key findings identified by the reports included<sup>3</sup>

- inappropriate electrical equipment in rooms (air fryer, fridge, heater)
- evidence of mould or damp in rooms
- fire inspections overdue; fire drills insufficiently recorded; evidence of staff fire safety training unavailable
- improper storage of food
- defibrillators not available
- emergency lighting inspection overdue; broken electrical equipment.

The findings within the reports reviewed were not risk rated.

**10.94** There was no evidence, based on a sample review of issues for three of the centres, that the IPAS actively followed up to ensure prompt remediation of the issues identified. However, all three centres were re-inspected within eight months. No financial penalties were applied in these cases.

1 Inspection reports were not available for two properties. One is directly operated by the IPAS, while the contract for the second property was terminated in June 2025.

2 The two properties inspected in 2025 had not been subject to an inspection in either 2023 or 2024.

3 The findings listed relate to 14 centres. More than one issue was identified in some centres.

4 HIQA is an independent statutory body established to promote safety and quality in the provision of health and social care services for the benefit of the health and welfare of the public.

5 The Minister for Justice is responsible under the [European Communities \(Reception Conditions\) \(Amendment\) Regulations 2023](#) for designating the premises falling under HIQA's remit. The centres subject to HIQA inspection are those operated from State-owned premises and those competitively procured.

6 [Monitoring of International Protection Accommodation Service Centres](#).

### **HIQA monitoring of IPAS centres**

**10.95** In January 2024, the Health Information and Quality Authority (HIQA) assumed the function of monitoring and inspecting certain designated IPAS centres against the national standards for accommodation.<sup>4,5</sup>

**10.96** In March 2025, HIQA published its first report on the monitoring of IPAS accommodation centres.<sup>6</sup> The report's key findings, for the centres inspected in 2024, included detail on

- the number of residents with protection status that continued to live in accommodation centres due to lack of alternative accommodation
- the number of residents of centres being accommodated in tents
- concerns regarding the risk management procedures in place in the centres
- centres being less aware of their responsibilities for safeguarding/protecting adults than for safeguarding children; and some centres not having policies and procedures to protect residents from experiencing harm and abuse
- the number of staff in centres not appropriately vetted by An Garda Síochána.

**10.97** The IPAS stated that following a HIQA inspection of an accommodation centre, a bespoke compliance plan is agreed between HIQA and the IP service provider. The IPAS compliance team engage with the service providers for all HIQA inspected centres to monitor progress and completion of agreed actions. The IPAS also stated that the information in HIQA reports may be used to inform policy and operational decision making.

### ***Resident complaint mechanisms***

- 10.98** Complaint mechanisms available to residents include making complaints directly to management at the property or contacting the IPAS helpdesk. The IPAS customer service team also operate consultative clinics in accommodation centres. A total of 129 customer service clinics took place in 2024.<sup>1</sup> These provide an opportunity for residents to raise issues and complaints in person. Complainants who are not satisfied with the outcome can contact the Ombudsman.
- 10.99** In 2024, the IPAS received 581 complaints from IP residents. 30% of these complaints related to the behaviour or actions of centre management or centre staff (including security staff); 20% related to the behaviour of other residents. There were 21 complaints to the Ombudsman regarding IPAS provided accommodation in 2024.

### **Conclusions and recommendations**

- 10.100** The rapid increase in the number of IP applicants since 2022 has created significant pressure on the State's capacity to respond with timely decisions on applications and to provide accommodation and other supports for IP applicants. This pressure became even more acute when very significant numbers of persons from Ukraine had also to be accommodated in 2022 and 2023 on an emergency basis. However, reduced pressure on the State to provide accommodation for Ukrainians in 2024 and 2025 has allowed the IPAS to take steps to rationalise the network of accommodation it uses and to develop its controls over the related expenditure.
- 10.101** While the State operates some contracted IP accommodation centres, the large influx of IP applicants in recent years led to demand for accommodation significantly outstripping supply. Consequently, the IPAS had to source a large amount of additional accommodation on an emergency basis. At the end of 2024, around three quarters of all IP applicants requiring accommodation were resident in 269 emergency accommodation locations.
- 10.102** In 2024, the IPAS made payments of about €978 million to commercial providers for emergency accommodation and related services.

### ***Pre-contract due diligence***

- 10.103** The IPAS has specified certain criteria that it states must be met by potential providers of commercial properties for an offer of accommodation to be considered. These criteria are attested to by potential accommodation providers in a self-declared property proposal document.

<sup>1</sup> In 2025, just under 100 clinics have been undertaken to end August.

**10.104** The examination team's review of documentation provided for 20 sample properties found that the IPAS's pre-contract due diligence records in relation to those criteria were significantly incomplete.

- Insurance certificates were only available for 40% of the properties and appropriate fire certificates clearly covering the proposed properties were only available for 45% of properties. None of the fire certificates examined identified the proposed occupancy level for the property.
- Evidence of ownership of the property/copy of lease agreement was only provided for one (5%) of the properties.
- Evidence of full planning permission to use the property for IP accommodation, or confirmation of exempted development, was available for only 20% of the properties.
- Pre-contract inspections of the properties had been carried out for only two of the properties (10%).

The IPAS has since taken steps to improve the documentation held for the sample properties reviewed.

#### **Recommendation 10.1**

Complete due diligence documentation should be held for each property as evidence of checks undertaken. A completed due diligence checklist, signed by the relevant IPAS staff member, should be appended to the documentation.

#### **Department of Justice, Home Affairs and Migration Accounting Officer's response**

Agreed

Complete due diligence documentation checklists have been introduced and are reflected in an overall 'offers of accommodation' spreadsheet to ensure that all documentation has been received and recorded.

Access to the Companies Registration Office database has been arranged, to support the verification of data.

The Department now uses Tailte Éireann's mapping service to assist with verification of mapping and folio data. A verification checklist has been developed to show that checks have been carried out as recommended.

#### **Timeline for implementation**

Implemented, Q3 2025.

**10.105** The IPAS's pre-contracting processes do not extend to checking the financial stability of the proposed accommodation provider.

**10.106** In March 2024, the IPAS amended its template contract for IP accommodation providers. Providers are now required to sign a declaration, in the presence of a Commissioner for Oaths or practising solicitor, as to their personal circumstances. Since April 2025, providers are also required to submit a signed declaration that they have not received any foreign financial contributions from non-EU countries that could affect fair competition in the single market.

- 10.107** These declarations have strengthened the IPAS's position in circumstances where it may seek to terminate a contract if it discovers that it was provided with misleading or inaccurate information.

### ***Contract performance monitoring***

- 10.108** Signed contracts for 2024 were not available for half of the 20 sampled properties reviewed during the examination. The absence of signed contracts impedes effective contract implementation and contract compliance monitoring. There is also an increased risk that incorrect payments may occur and that timely resolution of any potential disputes around contract deliverables may be hindered.

### **Recommendation 10.2**

The IPAS should ensure that all arrangements that it operates for the provision of accommodation for IP applicants are underpinned by signed contracts. Each contract should be signed by an authorised IPAS official and the accommodation provider. The IPAS should retain signed copies of all contracts.

#### **Department of Justice, Home Affairs and Migration Accounting Officer's response**

Agreed

The majority of properties in use by the IPAS now have signed contracts and these contracts are centrally stored on a shared database. A dedicated contracts renewal team was established in Q3 2024.

New folder structures and a document naming convention have been established within the Department's electronic filing system (eDocs) to allow for ease of search and retrieval of individual contracts. The handover of each new contract (from the accommodation procurement team to the contract management team) includes a link to the electronic document system, verifying the document has been filed appropriately.

Each contract is submitted via the eSubmissions system for approval/countersignature. Contracts go through a series of reviews (commencing at Administrative Officer/Higher Executive Officer level) to verify that they are appropriately signed/initialled before being sent to the appropriate officer/decision maker.

#### **Timeline for implementation**

Implemented, Q3 2025.

### ***Payment controls***

- 10.109** Payments to IP accommodation providers are generally based on the availability of agreed capacity of the property, regardless of the occupancy level. Consequently, there is an inherent value for money risk if occupancy levels are low or variable. Eight of the ten contracts available for review were based solely on capacity.

- 10.110** At mid-June 2025, around 90% of the high-rated issues listed in the IPAS's compliance tracker related to 'unavailable beds'. A new bedspace management system introduced in 2025 should provide more reliable data on bed availability and assist in the management of the contracted bed spaces. Factors impacting the availability of beds include renovations, room reconfigurations, building works and resident welfare considerations.
- 10.111** It was not possible to verify the invoiced rate for over one-third of the 40 sample payments reviewed because signed contracts were not available. For one property, the invoiced capacity was higher than the contracted capacity, indicating a potential overpayment of €11,600 for the month examined. A site visit to another property identified that the IPAS was being charged around €15,000 per month for three contracted rooms that in fact were not available for accommodation purposes. The Department of Justice has since undertaken an inspection of this property, and a forensic investigation of relevant documentation is planned to inform any potential recoupment.
- 10.112** For the sample invoices reviewed, it was not evident from the records kept that the IPAS had crosschecked the accommodation providers' claimed capacity or occupancy with its own records or the weekly occupancy registers.
- 10.113** IPAS records indicated an average occupancy rate for the sampled properties of around 78.5% as at 24 June 2025, indicating 1,636 vacant beds. However, follow-up calls by the IPAS to accommodation providers identified that 368 (22%) of the beds recorded as vacant were in fact not available for use. Since payments are generally based on bed availability, this indicates that significant overpayment may be occurring, and that there is potential for savings if occupancy and availability rates are more closely monitored.
- 10.114** In general, the supply of emergency accommodation is exempt from VAT. However, catering services are considered as a separate supply and are liable to VAT at the appropriate rate (13.5%). In five of the ten contracts available for review, the IPAS had signed contracts with rates inclusive of VAT with no distinction between the accommodation charge and the food charge.
- 10.115** The IPAS did not routinely check that invoiced amounts included the correct VAT. However, in December 2023, it became aware that it had been incorrectly charged VAT totalling €7.4 million by a provider of multiple properties under three VAT registration numbers. Subsequent invoices included VAT refunds totalling €1.5 million for amounts previously overcharged. The Department of Justice has stated that recovery of the balance of the overcharges remains under review.
- 10.116** As of March 2025, other overpayments of approximately €1.3 million had been identified by the Department of Children, Disability and Equality under nine hybrid arrangements. All these overpayments have since been recouped.
- 10.117** Separately, by late August 2025, the IPAS has identified further overpayments, totalling around €5.1 million from contract non-compliances in around ten cases. These overpayments occurred over various periods between 2023 and July 2025. Recoupment plans have been agreed in most cases, while two cases are pending agreement.

**Recommendation 10.3**

The IPAS should

- introduce an additional control to check that claimed available capacity agrees with the contracted capacity and that the claimed occupancy, where relevant, agrees with the weekly occupancy registers submitted by providers
- introduce an additional control check, in the pre-payment checklist, to confirm, where relevant, that VAT is only charged on the food services provided and not on the accommodation charge
- confirm for hybrid arrangements, as part of the pre-payment checklist, that there is no overlap between the beds claimed for IP purposes and beds claimed for BOTP purposes.

**Department of Justice, Home Affairs and Migration Accounting Officer's response**

Agreed

Additional control measures have been introduced following the implementation of the BedSpace bed management system in February 2025. A dedicated team is responsible for auditing bed availability against contracted capacity with escalation pathways through contract management, where necessary.

Invoices for the provision of accommodation are no longer accepted if they do not include the rate, occupancy and number of days being invoiced. This facilitates checking that claimed capacity/occupancy agrees with contracted capacity/occupancy and registers where relevant.

The Department has procedures in place to ensure capacity/occupancy can be accurately and consistently checked. An additional operating procedure for payment approvers has been finalised which is being implemented from September 2025.

Where a VAT issue arises on an invoice, this is queried, and the provider is advised to confirm the VAT treatment with Revenue, as appropriate.

A check has been added to the payment approver operating procedure to ensure a cross check is carried out of IP beds claimed with BOTP beds under hybrid arrangements.

**Timeline for implementation**

September 2025 for implementation of the operating procedure for payment approvers.

**10.118** The General Data Protection Regulation (GDPR) places a responsibility on organisations to protect the personal data that they hold. Registers containing sensitive personal data on IP applicants in accommodation centres are transmitted by providers, via email, to the IPAS on a weekly basis. There is a significant risk that such emails may be intercepted by bad actors or misdirected through human error.

#### **Recommendation 10.4**

The IPAS should consider whether all the personal data included in the IP registers needs to be transmitted to it on a weekly basis. The IPAS should also introduce a more secure method of transferring the registers.

#### **Department of Justice, Home Affairs and Migration Accounting Officer's response**

Agreed

The Department has considered this and concluded that the transmission of data on a weekly basis and the sharing of registers weekly is an operational imperative to ensure bed maximisation and engagement with IP applicants.

Registers are submitted to a dedicated secure inbox and additional controls have been implemented. Access to the inbox is only provided to relevant staff.

It is intended that further phases of BedSpace implementation will remove the need for transfer of registers with the introduction of service provider facing portals.

#### **Timeline for implementation**

Addition of further controls to the BedSpace system to be completed in 2026.

#### ***Regulatory compliance***

- 10.119** Site visits identified the use of bunk beds in some properties, in contravention of the national accommodation standards. Use of bunk beds may breach the minimum space requirement for each resident, leading to overcrowding. It also represents a potential breach of the contracted service.
- 10.120** Accommodation providers are required to provide evidence to the IPAS of an application to the relevant local authority for repurposed or change of use properties. However, this evidence was only available for 4 of the 20 sample properties examined.
- 10.121** Since July 2024, the IPAS also requires providers to submit a section 5 declaration of exempted development from the requirements to obtain planning permission. However, this requirement is not specified in the accommodation proposal template.

**Recommendation 10.5**

The IPAS should ensure that it receives, where applicable, evidence of all applications to local authorities for repurposed or change of use properties proposed for use as IP accommodation. The IPAS should also update its accommodation proposal template for the submission of the section 5 declaration of exempted development.

**Department of Justice, Home Affairs and Migration Accounting Officer's response**

Agreed

Evidence of the provider's application for exemption to the relevant local authority is in place for all new properties. Under the contract renewals process, clarity and verification of planning status of the centre is now sought in every instance.

The accommodation proposal template was updated in 2025 for the requirement for providers to submit a section 5 declaration of exempted development.

**Timeline for implementation**

Implemented, Q3 2025.

**Inspections**

- 10.122** The IPAS places significant reliance on its compliance and inspection teams to monitor contract compliance. This is an important control that potentially provides assurance around the delivery of the service that the State has contracted and for which it is paying.
- 10.123** Prior to 2024, inspections of emergency accommodation were carried out on a very limited and *ad hoc* basis. The inspection rate has significantly increased since then. Standard operating procedures for the documentation and communication of inspection findings were developed in early 2025. The process and scope of the compliance function was also documented in 2025.
- 10.124** In 2024, around 82% of accommodation centres were inspected. However, the IPAS did not meet its 2024 target to inspect each commercial property accommodating IP applicants twice in the year. The IPAS has since moved to a more compliance, risk-based inspection process.
- 10.125** Prior to the introduction of a compliance tracker in April 2025, the IPAS did not log contract breaches identified from contract monitoring and inspections. By mid-June 2025, over 80% of the 118 entries in the tracker, relating to around 80 providers, had a high-risk rating.<sup>1</sup> These included issues related to health and safety, unavailable beds and overcharging.

<sup>1</sup> Properties rather than providers was incorrectly stated in the original published report.



Accommodation type	Source of accommodation	Location	Contracted daily rate <sup>a</sup>	Site visit <sup>b</sup>	Proposal form	CRO number	Ownership/ lease	Signed contract <sup>c</sup>	Fire safety certificate <sup>d</sup>	Inspection <sup>e</sup>	Planning <sup>f</sup>	Insurance <sup>g</sup>
Hotel	Direct award	South Dublin	€155 per single occupancy, €31 per additional person. Dormitory style €51 per person									
Hotel	Direct award	North Dublin	Unclear									
Dormitory	HSE Covid centre pivoted to IP centre	South Dublin	Department-run							N/A		
Apartment complex	Request for tender	Westmeath	€74 per person									
Dormitory	Direct award	Mayo	€55 per person									
Hotel	BOTP centre pivoted to IP centre	Mayo	€55 per person									
Dormitory	Direct award	Mayo	Unclear									
Hotel	Direct award	Louth	€85 per person									
Guesthouse	Direct award	Kildare	€80 per person									

Source: Department of Justice, Home Affairs and Migration. Analysis by Office of Comptroller and Auditor General.

- Notes:
- a In instances where a contract was not available, the daily rate is based on payments made.
  - b Indicates if the property was subject to a site visit by the examination team.
  - c Ten of the signed contracts requested were not available.
  - d Fire safety certificates are required to reflect the proposed occupancy for the building. Where the occupancy level is not shown on the fire certificate, it has been assessed as being partially complete.
  - e Indicates if the property was subject to an inspection by the IPAS in 2024.
  - f Indicates evidence of application for change of use as emergency accommodation has been made to the relevant local authority and received by the IPAS.
  - g Indicates that clear evidence of insurance for 2024 has been obtained by the IPAS.
  - h Request was by the Minister for Children, Disability and Equality to religious organisations and government departments.

# 11 Control of grant payments to schools

- 11.1** The Education Act 1998 (the Act) sets the framework for the provision of education in statutorily recognised schools. The Act applies to both primary and post-primary schools and outlines the responsibilities of the State in supporting education through policy, funding and oversight mechanisms. The main source of income for schools under the Act is in the form of grants paid by the Department of Education and Youth (the Department).
- 11.2** After salary and capital costs, grant funding is the highest cost borne by the Department, amounting to €708 million in 2024.<sup>1</sup> From 2015 to 2024, total grant expenditure amounted to approximately €5.5 billion. The annual value of grants increased by 70% over the same period.
- 11.3** Generally, grant payments to schools fall into two main categories
- per capita grants, linked to student enrolment numbers, which represent general funding for schools, and
  - grants earmarked for specific purposes.

## Focus of this examination

- 11.4** This examination was undertaken to assess whether the Department has implemented an adequate system of control to manage and safeguard per capita grant payments to schools and to allow it to prevent and detect errors or irregularities in a timely manner. The report examines
- the systems and controls the Department has in place to safeguard per capita grant payments
  - the Department's response to cases where the over-declaration of student enrolment numbers was identified, and
  - the Department's risk management framework and key performance indicators relating to grant expenditure.
- 11.5** The examination team conducted interviews with relevant Department officials, conducted on-site fieldwork and examined documents, systems and controls. Unless otherwise stated, the grants described below relate to schools in the free education scheme.<sup>2</sup>

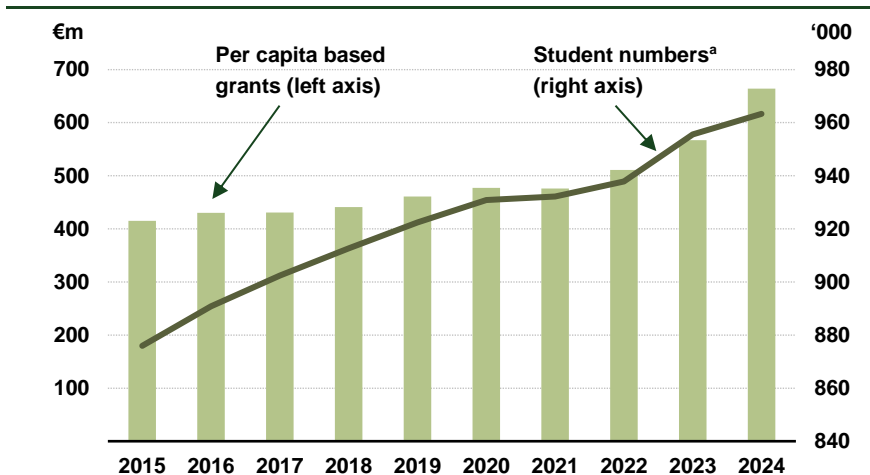
<sup>1</sup> Grant expenditure under subhead A.10 of Vote 26 Education, entitled 'Grants (including capitation) payable to primary and post-primary schools, education and training boards and other educational organisations and institutions'.

<sup>2</sup> While most grants are paid to schools participating in the free education scheme, some per capita based grants are also payable to certain fee-charging schools.

## Grant expenditure

- 11.6 On average, grants paid on a per capita basis account for 91% of the overall grant expenditure annually. Expenditure on per capita grants and total student enrolment numbers over the last ten years are presented in Figure 11.1.

**Figure 11.1 Expenditure on per capita school grants and student numbers 2015 to 2024**



Source: Department of Education and Youth and Central Statistics Office. Analysis by the Office of the Comptroller and Auditor General.

## Grant schemes

- 11.7 A complete listing of education grant schemes is not maintained or readily available from the Department. This examination focused on four grant schemes, representing 72% of per capita grant expenditure in 2024. These were

- **capitation grants** (2024: €251 million) for the day-to-day school running costs such as heating, lighting, cleaning, insurance and general upkeep
- **book grants** (2024: €115 million) to cover the cost of schoolbooks for primary school children and all junior cycle students at post-primary level
- **school services support fund** (SSSF) grants (2024: €64 million) to assist schools meet the costs associated with support services such as secretarial and caretaking, and
- **ICT grants** (2024: €50 million) to assist schools in their use of digital technologies for teaching, learning and assessment.

The rates for the 2023/24 academic year payable under the four selected grant schemes are set out in Annex 11A.

## Financial control environment

### *Enrolment systems*

- 11.8** The Department uses two separate core systems to capture enrolment data in primary and post-primary schools — the Primary Online Database (POD) and the Post-Primary Online Database (PPOD). These systems are managed by separate teams within the Department and serve as the central source of enrolment figures used in calculating per capita based grants.
- 11.9** Annually, schools upload their enrolment returns directly into the POD and PPOD systems. As required by the school governance manuals and Department circular 38/2014, principals/boards of management must complete a declaration in relation to the accuracy of the school's enrolment return.<sup>1</sup>

### *PPSN validation*

- 11.10** Both systems currently use Single Customer View (SCV) to validate Personal Public Service Numbers (PPSNs) against records held by the Department of Social Protection and the Health Service Executive.<sup>2</sup> SCV has been in use on the POD system for nine years but was only introduced to the PPOD system in August 2024.<sup>3</sup> PPSN validation reduces the risk of duplicate or fraudulent enrolments and ensures that each student is uniquely identified in the system.

### *Primary Online Database identity validation*

- 11.11** The requirement for a PPSN is not mandatory on the POD system, and it is possible to also register a student without the number, but with the mother's maiden name. The Department stated it has a legal basis to obtain PPSNs (under sections 162 and 266 of the Social Welfare Consolidation Act 2005). However, it also has a legal obligation under the Education Act to provide an education for anyone resident in the State.
- 11.12** Where a parent refuses consent for a child's data to be held on the system, a partial record is created on POD. Partial records are monitored separately by the POD section.
- 11.13** The total number of students on the POD system for the academic year 2024/2025 was 542,379. The Department stated that for the 2024/25 academic year the number of students on the system without a name and a PPSN was just 217 and the number of students with non-validated PPSNs was 1,665.
- 11.14** Where a student does not have a validated PPSN on the POD system, or consent for the child's data to be held on the system is withheld, the registered name and/or date of birth of the student is checked for duplication on the system by the Department's POD section.<sup>4</sup> The absence of a PPSN or a non-validated PPSN are also queried by the Department's POD section with the pupil's school.

<sup>1</sup> The [Governance manual for primary schools 2023 – 2027](#) and the [Governance manual for community & comprehensive schools](#) are in place. For all other post-primary schools, [Circular 38/2014](#) applies.

<sup>2</sup> Single Customer View (SCV) is a government application for public bodies to verify data. The data systems run the programme in the background nightly following submission of the annual enrolment returns.

<sup>3</sup> Pupil Validation Rules were used to check for duplicate PPSNs in PPOD prior to the introduction of SCV.

<sup>4</sup> Section 4.2(d) of [Circular 25/2015](#) outlines the requirements of schools in relation to letters from parents withholding consent for student data to be held on POD.

### *Post-Primary Online Database*

- 11.15** The PPOD also allows enrolment of students without a PPSN. The Department stated that, as of July 2025, approximately 10,000 students do not have a recorded PPSN and approximately 4,000 students have PPSNs that are not validated.<sup>1</sup> Based on the figures provided by the Department, this represents over 3% of the 2024/2025 student enrolments (425,411). This is a notable increase in missing data from fewer than 900 students in 2016. The Department stated that the figures will reduce over time as records are verified using SCV.
- 11.16** Since the introduction in PPOD of SCV to validate PPSNs, the PPOD section initiates additional checks or alternative processes. If PPSNs remain unvalidated, the PPOD section checks for duplication across the system by searching for another student with the same name and a validated PPSN. In these cases, other details such as mother's maiden name, date of birth and address are checked to ensure it is not a duplicate record. Where PPSN duplication is noted, schools are notified via their landing page on PPOD and are expected to resolve the issue.
- 11.17** Validation checks of other information are also performed. The POD and PPOD systems are inconsistent in how data is validated. The POD system compares a pupil's age to the expected age for the class the child is enrolled in. For example, an exception report is produced if the record indicates a junior infant is outside the age range four to six. In contrast, the PPOD system only includes one age-related rule which is that a child must be 12 or older on 1 January in the year they are enrolling in a post-primary school.
- 11.18** Enrolled students with missing or invalid PPSNs are included in calculating grant amounts payable to schools unless indicated otherwise by the school.

### *Limitations of system integration*

- 11.19** The POD and PPOD systems operate independently and do not interface with each other. Therefore, it is not possible to automatically capture students that may be recorded on both systems. However, the Department demonstrated that a non-automated process is used to compare both systems for social inclusion purposes to calculate transfer patterns from primary school to post-primary school. An integrated system would allow students previously validated on the POD system to transfer on the PPOD system without a need for revalidation.

### *Exception reporting and analytical checks*

- 11.20** The Department has a significant amount of data available to it which could be used to build in exception reports to the POD and PPOD systems. Both systems have the capability to produce such reports, but the Department confirmed these reports are not produced as a matter of course.
- 11.21** Such reports could include automatic flags for schools reporting large or unusual changes in enrolment compared to prior years, or where enrolment thresholds are crossed that lead to significant additional resource allocations such as extra teacher posts or grant increases.

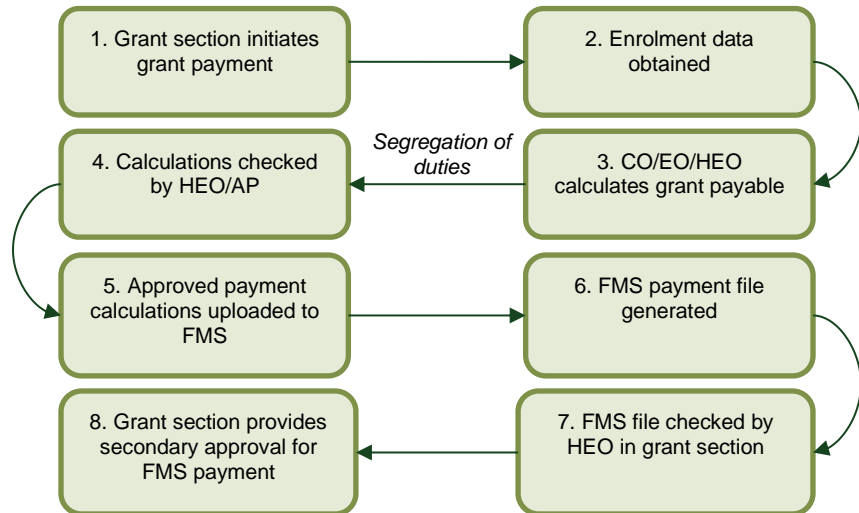
<sup>1</sup> The PPOD system can only generate reports at a point in time. Figures exclude new entrants for 2025.

- 11.22** The Department stated that work is underway to introduce real-time enrolment data.

### Grant administration controls

- 11.23** The examination team observed the processing of payments of several per capita based grant schemes to understand the respective control frameworks. Some general controls were observed across all grant schemes (see Figure 11.2).

**Figure 11.2 Control framework for per capita based grants (general process)**



Source: Department of Education and Youth. Analysis by the Office of the Office of the Comptroller and Auditor General.

### Grant payment calculations

- 11.24** The calculation procedures in place varied across sections. Some relied on manual calculations and lacked documentation of all checks reportedly carried out. Others used formula-based calculations and retained evidence of all checks. The examination team observed a good-practice approach for the payment of the junior cycle book grant of using formulas with built in calculation checks on the spreadsheet and retaining evidence of all control checks.
- 11.25** Sections administering per capita based grants apply inconsistent approaches in determining enrolment figures per school. Some use the most recently published validated figures, while others request updated enrolment numbers from the POD and PPOD teams. One section consistently applies validated enrolment numbers from the previous academic year, regardless of updates. The Department has not issued central guidance on which data should be used for per capita based grant purposes, leading to these variations in practice.
- 11.26** Control checks were not documented for three of the per capita grant schemes, where the grant expenditure totalled €238 million in 2024. The Department has noted that since January 2025, it is now standard practice to document checks.
- 11.27** In total, the examination team reviewed 12 payments. The team observed some differences between operating procedures in different sections, as outlined in Figure 11.3.

**Figure 11.3 High-level differences in procedures across grant types**

Grant type (number sampled)	Calculation method	Source of enrolment data used	All control checks documented
ICT infrastructure (1)	Manual calculation excel <sup>a</sup>	Published enrolment data <sup>e</sup>	✗
Junior cycle book grant (1)	Formula-based calculation excel	Email from PPOD section with prior year data	✓
Primary school book grant (1)	System generated	Email from POD section with current year data	✓
Capitation — education and training boards (2)	Formula-based calculation excel	Email from PPOD section with current year data	✓
Capitation — primary (4)	System generated <sup>b,c</sup>	Published enrolment data <sup>e</sup>	✗
Capitation — post-primary (2)	Formula-based calculation excel	Email from PPOD section with current year data	✗
School Support Service Fund (1)	Formula-based calculation excel <sup>d</sup>	Email from PPOD section with current year data	✓

Source: Department of Education and Youth. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a The rate is calculated using formulas which are manually entered to the spreadsheet.
  - b While the system generates the grant calculation, the responsible unit in the Department (Schools Division Financial) must prepare a calculation to obtain the weighted capitation rate for the year. This is then input in the grant calculation system.
  - c A manual calculation is required in relation to 38 small schools (less than 60 students) that have special classes or children with additional needs.
  - d On review, it was noted a manual calculation was prepared in relation to a small number of schools that had less than 200 pupils.
  - e Annual published enrolment figures (sourced from POD and PPOD) are available on the Central Statistics Office ([CSO website](#) — [primary](#) and [post-primary](#)).

## Oversight and compliance monitoring

**11.28** The primary school governance manual for the period 2023 – 2027 outlines the importance of schools ensuring the accuracy of the enrolment returns they make to the Department. The manual also outlines how boards of management have a responsibility to immediately notify the Department of any error or irregularity identified in their enrolment returns.

**11.29** The Department issues circulars and guidance to schools via email.<sup>1</sup> However, schools/principals are not required to acknowledge receipt or to confirm understanding of circulars. The Department stated that while there is no formal mechanism in place to monitor compliance with circular requirements, compliance is monitored through subsequent inspections of schools. In addition, the school's management body is funded to assist schools in understanding the relevance and application of circulars. The Financial Support Services Unit (FSSU) provides guidance on circulars issued where applicable.

<sup>1</sup> Department circulars are also available on the Government website [Department of Education and Youth](#).

- 11.30** Since 2010, the Department has confirmed 15 cases of irregularities with reported enrolment numbers. There are several units within the Department that have a role in assisting the Department in attempting to reduce the risk of inaccuracies in enrolment returns.

### ***Schools Governance Section***

- 11.31** The Department's Schools Governance Section provides guidance, information and direction to schools and education and training boards (ETBs) on governance and policy issues that impact on the day-to-day management of schools.
- 11.32** The Schools Governance Section is also responsible for investigating cases of suspected enrolment irregularities the Department becomes aware of. To date, all investigations undertaken have arisen from information provided or from disclosures made to the Department. The section does not have an audit function for school enrolments and there is no random or other regular audit programme in place to review school compliance with enrolment returns.

### ***Financial Support Services Unit***

- 11.33** The FSSU was established in 2005 to provide advice and support to post-primary schools in financial governance and standardising arrangements for compliance with accounting requirements.<sup>1</sup> In 2017, the Unit's remit was expanded to include primary schools.
- 11.34** The FSSU conducts audits of several schools annually. These audits primarily focus on aspects of financial compliance rather than the accuracy of enrolment data and are reactive based on disclosures or late filings. For the 2024/2025 school year, FSSU planned 46 audits, 41 of which had been completed as of May 2025. Two of the 46 audits, referred to FSSU by the Schools Governance Section, are related to potential enrolment return issues and investigations are ongoing.

### ***Inspectorate***

- 11.35** The Inspectorate is the division of the Department responsible for the evaluation of early learning and care settings, primary, special and post-primary schools, and centres for education.
- 11.36** The Inspectorate stated that it does not have a role in collecting or verifying enrolment numbers or checking attendance records. It does not review enrolment numbers as part of school inspections. The Inspectorate does have a role in checking enrolment numbers when requested to do so by relevant sections of the Department (such as School Governance) following identification of an enrolment irregularity. However, the Inspectorate has noted such requests are rare and there have been none recently.
- 11.37** The Department stated that enrolment data is available to the Inspectorate as it is included in the Inspectorate's management information system. Furthermore, some inspections require schools to complete a form that requests enrolment information. However, this information is not verified by the Inspectorate.

<sup>1</sup> The Financial Support Service Unit remit covers all schools except ETB schools.

### **Internal audit**

- 11.38** The Department's Internal Audit Unit (IAU) undertakes its work in accordance with a multiannual audit plan approved annually by the Department's Audit Committee. The current audit plan covers the period 2023 to 2027 inclusive.
- 11.39** The IAU noted its plan is informed by a risk assessment process undertaken by the Unit. Notwithstanding the cases of irregularities relating to enrolment returns since 2010, IAU confirmed that, to date, it has not conducted an audit of the school enrolment returns process.
- 11.40** Since 2022, the IAU has prepared three reports relating to per capita grants
- *School capitation grants (01/2022)*
  - *Delivering Equality of Opportunity in Schools (DEIS) grant payments in Social Inclusion Unit (04/2023)*
  - *Minor works grant (06/2023).*<sup>1</sup>
- 11.41** Common recommendations across all three reports included
- the source and date of receipt of information provided by other areas in the Department should be clearly identified on all excel calculation spreadsheets
  - standing data cells in all excel calculation spreadsheets should always be locked.
- 11.42** The Department stated that the IAU was informed by management within the relevant sections that these recommendations were implemented. However, the examination team noted the source and date of receipt of information was not clearly identified on all excel calculation spreadsheets in all cases, and standing data cells in calculation spreadsheets were not always locked. In all cases however, emails from POD and PPOD sections were retained separately by the sections administering grant schemes as the source of the enrolment data used.

### *Follow-up on recommendations*

- 11.43** The IAU maintains a tracker of the status of its recommendations and follows up on a quarterly basis with the assigned risk owner who has responsibility for implementing the recommendation. The IAU noted that there are no outstanding recommendations relating to any of the audits undertaken on grants. As per IAU procedures, any recommendations that are outstanding for more than one year are escalated to the relevant subcommittee of the Department's Management Board.
- 11.44** While the IAU has confirmed that none of its audit recommendations are currently classified as overdue, one earlier recommendation (dating from a 2012 review) has not been implemented and is not being tracked in the current follow-up process. The recommendation advised that priority should be given to the development of a new IT-based system for the purposes of calculating school grants, given the limitations of the current IT system and the inherent risk of using excel spreadsheets for the calculating of grant payments.

<sup>1</sup> The minor works grant consists of a fixed annual payment of €5,500 per school, plus an amount on a per capita basis.

- 11.45** In February 2017, the IAU removed the recommendation from the tracker. The Department stated that this was with the knowledge of the Audit Committee, however this was not recorded in the February 2017 meeting minutes. The Department stated that the reason for no longer tracking the recommendation was because it was raised on numerous occasions with relevant management and remained unimplemented. The IAU highlighted the non-implementation of the recommendation in subsequent audit reports in 2017 and 2022.
- 11.46** This 2012 recommendation is consistent with the examination team's observations of inconsistent calculation processes across grant types and a lack of documented control checks in some areas.

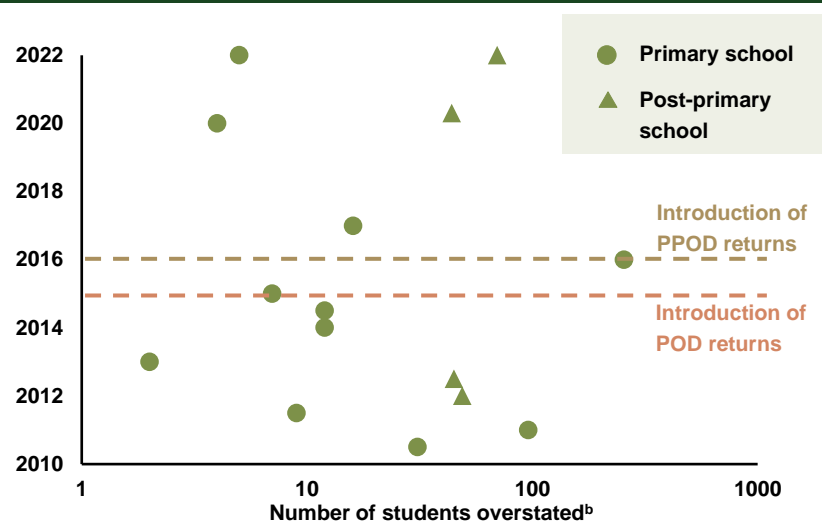
#### *Coordination with other assurance bodies*

- 11.47** The Department has not formalised coordination arrangements between its IAU and other internal assurance providers, such as the (separate) internal audit function for the ETBs, the Inspectorate, the Schools Governance Section or the FSSU. However, the IAU noted that it regularly communicates with all these functions.
- 11.48** Oversight is fragmented. However, the Department stated this is due to the complex nature and number of school governance structures, and the absence of an intermediary agency or regional structure between the Department and schools.
- 11.49** The Department stated that new internal audit standards from the Institute of Internal Auditors requires the head of the internal audit function to coordinate with internal and external providers of assurance services, and the IAU plans to formalise this coordination arrangement.

#### **Management of enrolment recording irregularities**

- 11.50** Since 2010, the Department has confirmed 15 cases of irregularities with reported enrolment numbers. The Department stated that it has taken several steps over the last ten years which should assist with reducing the risk of future enrolment irregularities. These include
- the introduction of the POD and PPOD online enrolment return systems in 2015/2016 and 2016/2017 academic years respectively, replacing paper-based enrolment returns
  - setting up the FSSU
  - informing schools via circulars that it is the Department's policy to report instances of suspected fraud to An Garda Síochána.
- 11.51** The confirmed cases relate to both the primary and post-primary sectors, with the majority in the primary sector. Four of the cases commenced after the Department introduced online enrolment return systems (see Figure 11.4).

**Figure 11.4 Confirmed cases of overstated enrolment numbers  
2010 – 2022<sup>a</sup>**



Source: Department of Education and Youth. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- The year shown in the above table represents the last academic year the irregularity occurred. Most cases spanned a number of years.
  - Axis is shown on a logarithmic scale to illustrate the distribution of overstatements, including one outlier (255) in 2016 while retaining visibility of majority of cases (<100).

**11.52** A further five cases are currently under investigation relating to schools using the online enrolment return systems.

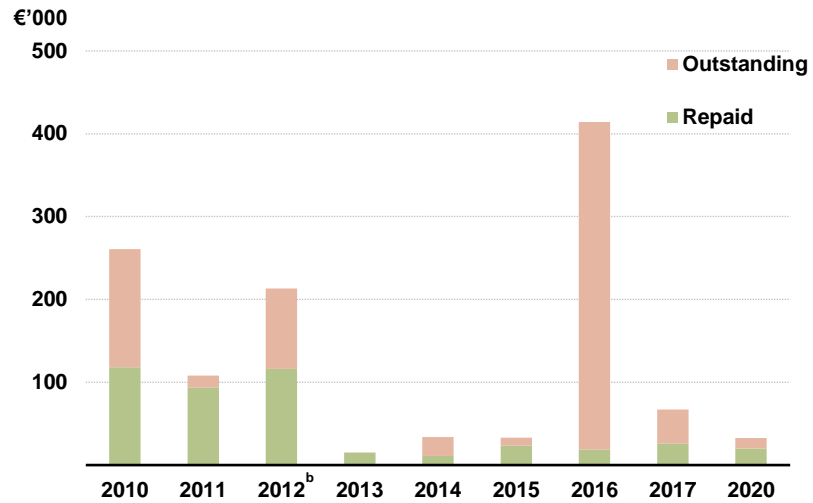
**11.53** When suspected fraud is reported and substantiated, the Department has recourse to pursue the repayment of the excess grant. The Department estimates that almost €1.4 million was overpaid relating to the confirmed cases. The Department stated that it agrees the amount to be repaid with schools in a fair, reasonable and proportionate matter to ensure that schools continue to function and provide an education to students. As at the end of 2024

- two cases have been repaid (€53,000)
- three cases have no recoupment plan in place (€128,000)
- ten cases are at different stages of recovery (see Figure 11.5).

**11.54** All suspected cases of enrolment irregularities are investigated by the Department. The Department stated it needs to establish, based on the evidence available to it, that there is a high probability that a fraud has occurred prior to making a referral to An Garda Síochána. The Department further stated that it is the responsibility of school boards to report irregularities to An Garda Síochána in the first instance.

**11.55** The outcome of the investigations in relation to the 15 confirmed cases were

- Prosecuted — four cases
- Decision taken to prosecute — one case
- Decision taken not to prosecute — five cases
- An Garda Síochána investigation ongoing — two cases
- Department investigation only — three cases

**Figure 11.5 Total overpayments and amount recovered at end of 2024<sup>a</sup>**

Source: Department of Education and Youth. Analysis by the Office of the Comptroller and Auditor General.

Note: a The year refers to the last academic year when the irregularity occurred.

b In 2012, there were two cases.

**11.56** Overviews of four recent overpayment cases are detailed below.

**11.57** The mechanism used to overstate enrolment numbers in the four cases was using PPSN information of students who had left the school or not yet started school. For two of the cases, international students were incorrectly included when calculating the school's entitlement. For the five cases currently under review by the Department, early indications suggest similar methods were used to inflate enrolment numbers.

**11.58** The cases were identified through protected disclosures or by information provided to the Department, rather than being identified by Department controls. There does not appear to be an existing control in either POD or PPOD that would have prevented these cases.

#### Case 1 — 2020

In 2020, the Department received a protected disclosure concerning irregularities related to enrolment returns for a primary school. Following an investigation by the Department, the case was referred to An Garda Síochána in 2022.

Enrolment returns were overstated by four children. These additional four children qualified the school to retain an additional teaching resource. Valid PPSNs were used for children from a local childcare facility, a child who was enrolled up to 3<sup>rd</sup> class but then did not return and a child who transferred to another school. For the latter, the two schools agreed that the child transferring would not be registered with the new school to avoid duplicate PPSNs being detected. The new school had nothing to gain with the additional student whereas the school the child left would lose a teaching post.

The Department stated that An Garda Síochána informed them in June 2025 that the case was proceeding to a prosecution. The Department has calculated an overpayment of €32,618. A recoupment arrangement is in place with the school, and, by year-end 2024, a total of €19,800 has been repaid.

**Case 2 — 2020**

In February 2020, an investigation was commenced into concerns that a post-primary school had overstated student numbers. The concern arose after a routine meeting with the school two months prior where the school referred to the number of students attending the school which did not match the annual enrolment return submitted to the Department.

Over two academic years, a total of 44 students were incorrectly recorded on the school's enrolment returns. The PPSN numbers of students not attending the school (early school leavers) or students attending sporadically were used.<sup>1</sup> In addition, short-term international (visiting) students were not reflected on the system as short-term students.<sup>2</sup>

In January 2021, the case was referred to An Garda Síochána but did not proceed to prosecution. The Department calculated an overpayment of €16,796 which was fully recouped by year-end 2024.

**Case 3 — 2022**

In June 2021, the Department received a protected disclosure regarding enrolment irregularities in a primary school. The Department began an investigation in September 2021, and referred the case to An Garda Síochána in October 2022.

The enrolment returns for the school were overstated by five students. Valid PPSNs were used for children attending a local childcare facility, a student that left the school, a student enrolled one year earlier than had been applied for and a student that was being homeschooled.

The Garda investigation is ongoing. The Department has calculated an overpayment of €63,806. No recoupment arrangement is in place, due to financial issues notified by the school board.

**Case 4 — 2022**

In May 2021 an ETB received a protected disclosure related to enrolment irregularities at a post-primary school. In October 2021, an investigation commenced and the case was referred to An Garda Síochána in November 2022.

Over two academic years, 70 students were incorrectly recorded on the school's enrolment returns. The PPSN numbers of students not attending were used. In addition, short-term international (visiting) students were included in the school numbers.<sup>2</sup>

The Garda investigation is ongoing. The Department calculated an overpayment of €36,407 which was fully recouped by year-end 2024.

<sup>1</sup> For grant purposes, a recognised student is participating in an approved course and students attending sporadically do not meet this criterion.

<sup>2</sup> International students are recorded on the system with a pupil ID number rather than a PPSN. The school should indicate on the system that they are short-term students, so they are excluded for grant purposes.

## Risk management framework

- 11.59** The Department has a set of principal corporate level risks and a series of wider risks which are registered on an eRisk register system. Risks relating to each section are the responsibility of the Principal Officer of the section.
- 11.60** In November 2022, the Institute of Public Administration (IPA) was commissioned by the Department to review the Department's risk management system, processes and practices. The report noted that a mature risk management framework looks to capture and report on risk incidents to learn from things that happened and recommended that this should be the case for the Department's risk management framework.
- 11.61** The examination team reviewed the Department's risk register for 2017, 2020 and 2024. In 2017, no reference was made to the risk associated with enrolment irregularities. In 2020 and 2024, the Department noted the following risk: dependency on receipt of timely and accurate information from schools and ETBs to ensure the correct grants/funding is provided.
- 11.62** Despite the number and nature of confirmed irregularities between 2020 and 2024, there were no recorded updates to the Department's risk register, either at corporate level or divisional level. This suggests that learnings from these cases have not been formally integrated into the Department's risk management process.
- 11.63** Internal audit reports also identified relevant control weaknesses. However, these findings do not appear to have been reflected in updates to the relevant risk registers.

## *Use of risk indicators and data analytics*

- 11.64** The Department does not currently use available enrolment data to inform its oversight or target its monitoring activities. For example, POD and PPOD hold information on the percentage of students without validated PPSNs, which could help identify anomalies or outliers across schools.
- 11.65** Small changes in enrolment numbers can significantly affect grant allocations e.g. crossing certain pupil number thresholds may entitle schools to additional teaching posts or increased capitation. No evidence was found of the Department using predictive data, such as its own enrolment projections (based on data from the Central Statistics Office) to sense-check school returns or inform compliance work.
- 11.66** The Department has stated that while its Planning and Building Unit monitor demand for school places each September in terms of capacity planning (which uses demographic projections), this sort of analysis is very limited at predicting school-level enrolments due to free parental choice in where they enrol their children.

## Performance monitoring and KPIs

- 11.67** Public bodies should have robust performance measurement and reporting frameworks in place. This potentially provides transparency on the efficient and effective delivery of key programmes and services. Relevant performance information potentially also assists organisations to assess if grant funding provided is achieving the objectives of the grant scheme.
- 11.68** The Department confirmed it does not set specific key performance indicators (KPIs) for individual grant schemes. Performance information could include measures such as the number of schools
- running a financial deficit
  - requesting annual payments from parents, and degree of dependence on such payments
  - with a digital learning plan.
- 11.69** The Department stated that, due to the governance arrangements in place (whereby boards of management are statutorily responsible for the proper use of funds), and the guidance provided through circulars, it considers this an appropriate framework for oversight. It does not view the setting of grant-specific KPIs across all schools as appropriate or practicable within the current system.

## Conclusions and recommendations

- 11.70** The main source of income for schools is grants paid by the Department of Education and Youth (the Department). A complete listing of the grant schemes currently administered by the Department is not maintained and was not readily available.
- 11.71** Between 2015 and 2024, the Department paid approximately €5.5 billion in grant funding to schools. An estimated 91% of this expenditure was provided on a per capita basis, using enrolment data provided by schools. The Department's reliance on enrolment data to calculate grant funding highlights the critical need for robust controls.

### *Enrolment system controls and data quality*

- 11.72** The Department's two enrolment recording systems — the Primary Online Database (POD) and the Post-Primary Online Database (PPOD) — are populated with student data by schools. Both systems use a cross-government application for public bodies to verify data, including to validate PPSNs against records held by the Department of Social Protection and the Health Service Executive.
- 11.73** A PPSN allows each student to be uniquely identified. However, the PPSN is not a mandatory field in either system, nor are the systems integrated. Integration would enhance the Department's control framework relating to grant payments.

- 11.74** The number of primary school pupil records without a PPSN or without a validated PPSN was very small in the 2024/25 academic year. However, the number of post-primary student records without a PPSN or without a validated PPSN has risen significantly to approximately 14,000 in the 2024/25 academic year. This represents over 3% of the student body. These gaps in the record reduce the ability of the Department to identify duplicate or fraudulent enrolments and compromises the integrity of the data used to calculate grants.
- 11.75** Enrolled students with missing or invalid PPSNs are included in calculating grant amounts payable to schools unless indicated otherwise by the school.
- 11.76** The examination found variations in how different sections of the Department calculate grants and the enrolment data used. There is no centralised guidance on which enrolment figures to use. The procedures in place between grant sections were also varied, with some sections using formula-based calculations and retaining evidence of all control checks, while others did not. All payments are calculated and maintained on spreadsheets.
- 11.77** An internal audit finding highlighting a long-standing control weakness of relying on spreadsheets to calculate grant amounts paid to schools has not been addressed.

#### **Recommendation 11.1**

The Department should prioritise the development of an integrated IT-based system for the purposes of calculating school grants.

#### **Accounting Officer's response**

Agreed.

A project is being progressed by the Department and is in the early stages of development. The establishment of a new Chief Information Officer role in 2024 is allowing the development of critical systems and solutions such as this. The project underway is focused on an IT-based system for the calculation of certain ancillary grant payments. This project will form a blueprint for the development of IT solutions for other grant payments.

It will be used as a pilot project which will be reviewed and evaluated with a view to informing a full roll-out for other grant payments.

The Department recognises the importance of developing IT-based systems for the purposes of calculating and administering school grants and intends to pursue this as a priority. In tandem with this work, the Department will standardise processes across sections responsible for grant payments to ensure that a standardised approach to enrolment data is used.

#### **Timeline for implementation**

The pilot project outlined (phase one) will be completed by the end of Q3 2026. Following review and evaluation (Q4 2026), work will commence on developing a similar system for other grant payments.

**Recommendation 11.2**

The Department should strengthen its controls generally around per capita based grant payments by

- developing and maintaining a central register of all grant schemes
- actively monitoring records without PPSNs in both POD and PPOD
- exploring integration of the two systems.

**Accounting Officer's response**

Agreed.

The Department is exploring options for the development and maintenance of a central register of grant schemes.

The Department acknowledges that while PPSNs are monitored and validation checks are carried out in PPOD, further improvement in processes is required. The Department will explore whether additional validation checks similar to POD, such as exception reports comparing age to class, are feasible for PPOD. The Department recognises the importance of having full and accurate data and will continue to encourage schools to provide PPSNs for all enrolled students.

The Department began a programme of work in late 2024 to harness the data and the capabilities of both the POD and PPOD platforms to assist with the tracking of students through their complete educational journey, both in primary and post-primary school. The purpose of this programme of work, called the LearnerPath programme, is to provide information and insights to assist with policy formulation for the Department and, where appropriate, with wider government.

LearnerPath will adopt an incremental and flexible 'connect, not replace' approach by using an Application Programming Interface (API) driven model to link existing education data systems. This means that key datasets, in POD and PPOD, will remain in place but will be connected through secure interfaces to create a more complete view of each learner's journey.

The Department will examine how additional reports and processes could make better use of the data currently available. The Department will strengthen validation processes, including use of exception reporting and better use of outputs from statistical reports.

**Timeline for implementation**

The central register of grant schemes will be in place at the end of Q1 2026. Full completion of LearnerPath in 2028.

### ***Oversight and compliance monitoring***

- 11.78** While the Department issues circulars to schools via email, schools are not required to acknowledge receipt or understanding of these circulars.
- 11.79** Oversight by the Department is fragmented. The Inspectorate does not routinely validate enrolment numbers during school visits, and the Schools Governance Section does not conduct on site reviews. The FSSU audits aspects of school accounts, but only a limited number of audits target enrolment-related risks, and these are reactive, triggered by disclosures or late filings.
- 11.80** Data available to the Department, such as PPSN validation rates, are not currently used to inform oversight or selection of schools for audit. As a result, potential errors and irregularities can go undetected.

### **Recommendation 11.3**

The Department should strengthen oversight by

- clarifying internal roles for monitoring enrolment-related compliance
- using enrolment data risk indicators (e.g. invalid PPSN rates) to prioritise audit or review activity
- enhancing coordination between the relevant sections of the Department to improve system-wide assurance.

### **Accounting Officer's response**

Agreed.

The Department is putting in place a working group to review how to achieve this recommendation.

The working group will oversee the standardisation of processes across sections and improved training, with a view to achieving enhanced coordination to improve system wide assurance.

### **Timeline for implementation**

The working group will be established in Q4 2025 with initial output by Q2 2026.

### ***Response to irregularities and risk management***

- 11.81** Since 2010, the Department investigated 15 confirmed cases of enrolment fraud, with five further cases currently under review. The Department has reported 12 of the cases to An Garda Síochána.
- 11.82** The cases identified were not detected through the Department's internal controls. This reliance on external sources to identify overpayments suggests a gap in operating controls and preventative oversight.

**Recommendation 11.4**

The Department should review its current control framework for the payment of grants on a per capita basis to identify improvements and additional controls that are needed for example matching enrolment data with attendance records or obtaining evidence when PPSNs are not available for students.

**Accounting Officer's response**

Agreed.

The scope of the working group being set up will include assessing what additional controls and improvements can be made to reduce the risk of fraud with per capita grant payments.

**Timeline for implementation**

The Working Group will be established in Q4 2025 with initial output by Q2, 2026.

- 11.83** Despite the recurrence and materiality of these incidents, the Department's risk registers have not been updated to reflect the associated risks. An IPA review of the Department's risk management framework noted that a mature system should capture and learn from such incidents which is not the case for the Department's risk management framework.

**Recommendation 11.5**

The Department should strengthen its risk management practices relating to the risk of enrolment fraud by

- ensuring confirmed fraud cases and internal audit findings are systematically reviewed and used to inform risk ratings and mitigation plans
- updating its risks registers to reflect enrolment-related risks.

**Accounting Officer's response**

Agreed.

The Department created a post of Chief Risk Officer (CRO) in 2024 to strengthen risk management practices across the Department. The CRO is leading on the implementation of the recommendations from the IPA review.

The current risk management system in place across the Department includes, for example, an e-risk register that must be maintained by all units and updated regularly, six-weekly meetings of the Management Board's Risk Committee to oversee compliance with the Department's risk management policy and to update this policy as required, and quarterly risk management reports to the Management Board. To augment this further, a risk incident or materialised risk reporting process is being developed. This will further raise awareness of risks and allow the Management Board to better assess the mitigations in place.

Updated and focussed training on risk management for all staff is also being progressed. As part of this training, all managers, risk owners and business units will be reminded to take account of internal audit findings

and confirmed fraud cases to inform risks, risk ratings and mitigation plans.

The Risk Management Unit will work with appropriate risk owners to ensure that they update risk registers to reflect enrolment-related risks.

**Timeline for implementation**

Q1 2026.

**Annex 11A Per capita grant rates for 2023/24 academic year<sup>a</sup>**

	School/grant type <sup>b</sup>	Standard rate per student	Lump sum per school
<b>Capitation<sup>c</sup></b>	Primary school	€200 <sup>d</sup>	—
	Voluntary post-primary school	€345	—
	Education and training board (ETB) post-primary school	€305	—
	Community and comprehensive post-primary school	€303.74	—
<b>Books</b>	Primary school book grant	€80	—
	Junior cycle book grant	€309	—
	Administrative support grant <sup>e</sup>	€178.37 <sup>f</sup>	—
<b>ICT infrastructure</b>	Primary school	€39.73 <sup>g</sup>	€2,000
	DEIS primary school	€43.70	€2,000
	Post-primary school	€47.68	€2,000
	Fee-paying school	€23.84	€1,000
	DEIS post-primary school	€52.44	€2,000
<b>SSSF</b>	Voluntary secondary schools <sup>h</sup>	€224.50	—




Source: Department of Education and Youth. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- The majority of payments in the 2024 financial year (e.g. capitation payments typically made in January and June) are based on prior-year academic rates, as schools operate on a September – August financial year. For this reason, 2023/24 rates are applied as 2024/25 rates are not currently yet applicable.
  - All grants are paid annually apart from the ICT grant, which is dependent on funding being available.
  - Increased capitation rates can apply for various reasons, for example, where students have learning or physical disabilities or additional needs.
  - Schools with less than 60 students receive payment based on having 60 students.
  - Administrative support grants can be used to employ a person/persons to work for a specified number of days (depending on the size of the school) to conduct administrative work on the book grant scheme.
  - The administrative support grant rate is per day not per student. This daily rate sanctioned by the Department includes holiday pay and employer's PRSI.
  - Higher grant rates are available for students with special needs.
  - Schools with less than 200 pupils are paid the grant based on having 200 pupils.

## 12 Progress towards achieving climate neutrality in Ireland

- 12.1** Transition to a climate-neutral and climate-resilient economy by 2050 is a key national policy objective.
- 12.2** Ireland is party to the 2015 Paris Agreement — a legally binding international treaty with a goal to strengthen the global response to the threat of climate change.<sup>1</sup> The agreement includes a commitment to hold “the increase in the global average temperature to well below 2°C above pre-industrial levels” and to pursue “efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change”.<sup>2</sup>
- 12.3** Ireland is also bound by the European Climate Law 2021, which writes into law the goal set out in the European Green Deal for Europe’s economy and society to become climate-neutral by 2050. Climate neutrality by 2050 means achieving net zero greenhouse gas (GHG) emissions for EU countries as a whole, mainly by cutting emissions, investing in green technologies and protecting the natural environment.<sup>3</sup> The law also sets an intermediate target for reducing GHG emissions in Europe by at least 55% by 2030 when compared to 1990 levels.

**Figure 12.1 Key climate neutrality targets<sup>a</sup>**

 International	 EU	 National
Climate neutrality by 2050	Climate neutrality by 2050	Climate neutrality by 2050
To limit global warming by 1.5°C above pre-industrial levels.	Reduce GHG emissions by at least 55% by 2030 across the EU, relative to 1990 levels.	Interim target to reduce Ireland’s GHG emissions by 51% by 2030 when measured against 2018 base year.
Global GHG emissions must peak before 2025 (at the latest) then fall by 43% by 2030, relative to 2019 levels. <sup>b</sup>	Emissions Trading System — EU wide 62% reduction in emissions by 2030 for specific sectors, mainly large industry and electricity generation. <sup>c,d</sup>	Carbon budgets impose a limit on GHG emissions within a 5-year period. The first carbon budget requires an average 4.8% reduction in GHG emissions per annum over the period 2021 – 2025.
	Effort Sharing Regulation — Ireland to reduce emissions by 42% by 2030 when measured against 2005 base year.	

Source: European Commission. Environmental Protection Agency. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a Climate neutrality — the international, EU and national targets for 2050 differ in how climate neutrality is described and the interpretation of what this entails for GHG emissions.
  - b Decision taken at the 28<sup>th</sup> annual UN meeting on climate change (COP28) in 2023, following the first global stocktake to assess progress towards the long-term goals of the Paris Agreement.
  - c The EU Emissions Trading System (ETS), first launched in 2005, covers approximately 11,000 power stations and manufacturing plants across the EU, Iceland, Liechtenstein and Norway, as well as aviation activities in those countries.
  - d The UK Emissions Trading Scheme replaced the United Kingdom’s participation in the EU ETS from 1 January 2021.

1 As at September 2025, 195 countries have signed up to or acceded to the [Paris Agreement](#).

2 The pre-industrial period is not formally defined in the Agreement, but is generally considered to refer to 1850 – 1900, when the global average temperature was estimated to be 13.6°C. For context, in 2024, global average temperature was 15.1°C.

3 The term ‘carbon’ is often used as a shorthand for referring to all greenhouse gases. Carbon dioxide is the main greenhouse gas; others include methane and nitrous oxide.

- 12.4** The statutory framework in Ireland for achievement of climate neutrality by 2050 is provided in the Climate Action and Low Carbon Development (Amendment) Act 2021 (the Climate Act). The legislation also sets an interim target — to reduce Ireland’s total GHG emissions by 51% by 2030 (relative to 2018 levels).
- 12.5** Achieving the climate neutrality targets will inevitably require very substantial public expenditure, and the cost-effectiveness of that expenditure will be critical. Furthermore, any significant shortfall in the achievement of the EU targets, including of the interim (2030) targets, will almost certainly impose a financial burden on the Exchequer.
- 12.6** This examination was undertaken because of the Exchequer’s exposure to substantial compliance costs within as short a period as seven years if mandatory targets are not met.<sup>1</sup> It sets out the arrangements in place to track and report on the rate of progress towards achievement of 51% reduction in GHG emissions by 2030 and climate neutrality by 2050.

### Methodology and definitions

- 12.7** The examination mainly involved a review of information provided by the Department of Climate, Energy and the Environment (the Department) and the Environmental Protection Agency (EPA). The emissions information contained in this examination is based mainly on inventory data published by the EPA.

### Emissions data

- 12.8** The science underpinning the calculation of emissions inventory continues to evolve and mature. The GHG emissions inventory is subject to annual review by the EU and UN who appoint expert review teams, comprised of inventory compilers, to assess the methodologies used to ensure the guidelines are being followed. Refinement of emissions data is standard practice in the compilation of GHG inventories, with data potentially being revised back to the base year, of 1990, annually.
- 12.9** For reporting and comparison purposes, progress in achieving GHG emission reductions is generally measured against a specified ‘base year’, which may vary depending on the reporting framework.

### Impact of land use and land use change

- 12.10** Target setting and reporting on a country’s national emissions may include or exclude the impact of land use. Some forms of land use contribute to GHG emissions, while others may effectively act as ‘carbon sinks’ and remove carbon dioxide from the atmosphere. As a result, depending on the pattern of land use, the net emissions contribution of what has been defined as the ‘land use, land use change and forestry’ (LULUCF) sector may be positive or negative.
- 12.11** Currently, Ireland’s GHG emissions from grassland and wetlands outweigh those removed by forestry land, making Ireland’s LULUCF sector a net contributor to GHG emissions. Net emissions in 2023 from the LULUCF sector amounted to an estimated 3.9 million tonnes (6.6% of total emissions including LULUCF).<sup>2,3</sup>

<sup>1</sup> The final compliance cost will be calculated in 2032 relative to final position in 2030.

<sup>2</sup> It is generally still the approach to refer to a country’s total emissions excluding LULUCF. However, totals including and excluding LULUCF are reported to the United Nations Framework Convention on Climate Change and under national legislation. The ESR does not include LULUCF as part of the target.

<sup>3</sup> There is a high level of complexity and uncertainty in the calculation of emissions from the LULUCF sector. Further information on Ireland’s emissions from the LULUCF sector is set out in the bulletin published by the EPA on [GHG emissions from the LULUCF sector](#).

**12.12** When the emissions from LULUCF are included, Ireland's total GHG emissions for 2023 are estimated at 58.8 Mt CO<sub>2</sub>eq.<sup>1</sup> Comparison of the movement levels in GHG emissions indicates little difference when the data consistently include or exclude net LULUCF. As such, emissions included in this report exclude LULUCF unless otherwise stated.

### Trends in emissions

**12.13** Ireland's GHG emissions grew strongly in the 1990s as the economy expanded. Emissions peaked in 2001 and have trended down thereafter. Emissions fell below the 1990 level for the first time in 2023.<sup>2</sup>

**12.14** The national target, as per the Climate Act, is to achieve a 51% reduction in GHG emissions by 2030 when measured against a 2018 base year. GHG emissions from Ireland were on a downward trajectory from 2018 to 2020, with a slight upturn in 2021, before declining again in 2022 and 2023. An overall reduction of 10.3% was achieved from 2018 to 2023.<sup>3</sup> However, significant further reductions are required if the national target is to be achieved by 2030.

**12.15** In the context of Ireland's GHG emissions projections, the EPA uses two scenarios to assess progress towards climate targets.

- **With existing measures (WEM)** — The WEM scenario projects future emissions based on policies and measures that are currently implemented and legally committed to by the government.
- **With additional measures (WAM)** — The WAM scenario encompasses all actions in the WEM scenario, plus additional planned policies and measures that have been announced and not yet implemented.

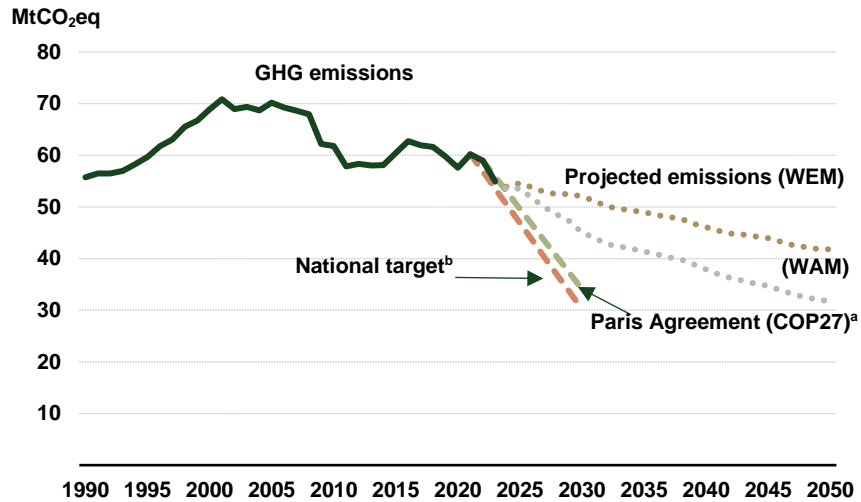
**12.16** The EPA's latest GHG emissions projections, for the period 2024 – 2055, indicates that Ireland is significantly off track to meet its legally binding climate targets for 2030. Even with full implementation of all planned climate policies and measures, the EPA projects a maximum reduction of 23% by 2030 compared to 2018.<sup>3</sup> This is a decrease from the 29% projected in the previous year, highlighting a widening gap between current efforts and the national target.

<sup>1</sup> GHG emissions are measured in million tonnes of carbon dioxide equivalent (Mt CO<sub>2</sub>eq).

<sup>2</sup> In July 2025, the EPA published Ireland's provisional GHG emissions covering the period 1990 – 2024: [Ireland's Provisional Greenhouse Gas Emissions 1990 – 2024](#).

<sup>3</sup> The EPA's projected reduction is based on emissions inclusive of net emissions from the LULUCF sector.

**Figure 12.2 Ireland’s GHG emissions, 1990 to 2023, and projected to 2050**



Source: Environmental Protection Agency. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a The Paris Agreement was signed on 22 April 2016. At the 27th annual UN meeting on climate change (COP27) in 2022, a decision was made to reaffirm the Paris Agreement and include a commitment with a target of 43% reduction in GHG emissions by 2030 when compared to 2019 levels.
  - b The national target to reduce GHG by 51% by 2030 compared to 2018 levels and to achieve climate neutrality by 2050 was set under the Climate Act.

**Per capita emissions**

**12.17** With a population of 3.5 million in 1990, Ireland’s per capita emissions were approximately 15.9 tonnes. By 2023, with a population exceeding 5 million, per capita emissions decreased to about 10.4 tonnes — a reduction of about 35% from 1990 levels. Nevertheless, in 2023, Ireland still ranked among the highest emitters of GHG emissions per capita within the EU.

**12.18** Despite a 51% increase in population and significant economic growth, Ireland’s emissions in 2023 were below 1990 levels. This indicates progress in decoupling economic and population growth from emissions, likely due to improved energy efficiency, a shift towards renewable energy sources, and policy measures aimed at reducing emissions.

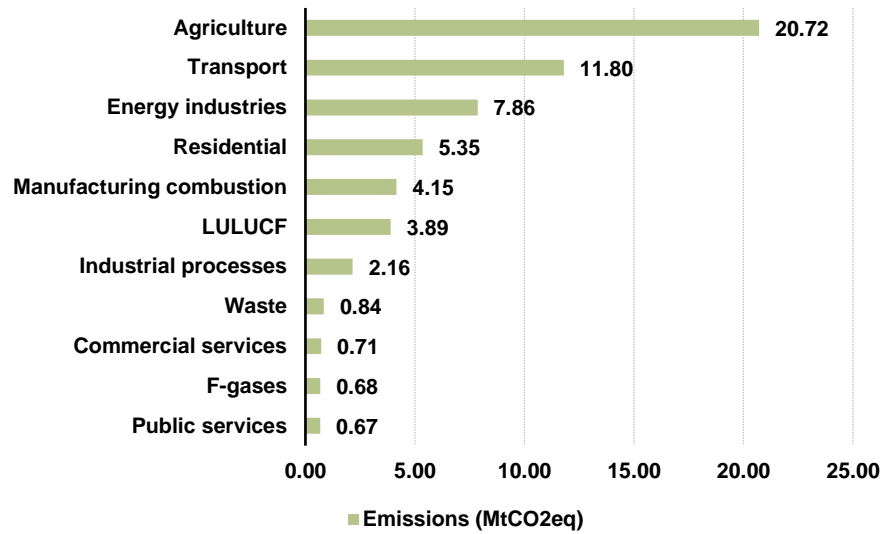
**12.19** The very modest overall emissions reduction over a period of 33 years suggests that while per capita emissions have decreased, achieving more substantial cumulative emissions cuts will remain a challenge. Continuous efforts are necessary to further reduce overall emissions in the face of ongoing economic and demographic growth.

**GHG emissions by sector**

**12.20** In 2023, Ireland emitted 58.8 million tonnes of carbon dioxide across 11 sectors, including land use (LULUCF) (see Figure 12.3).

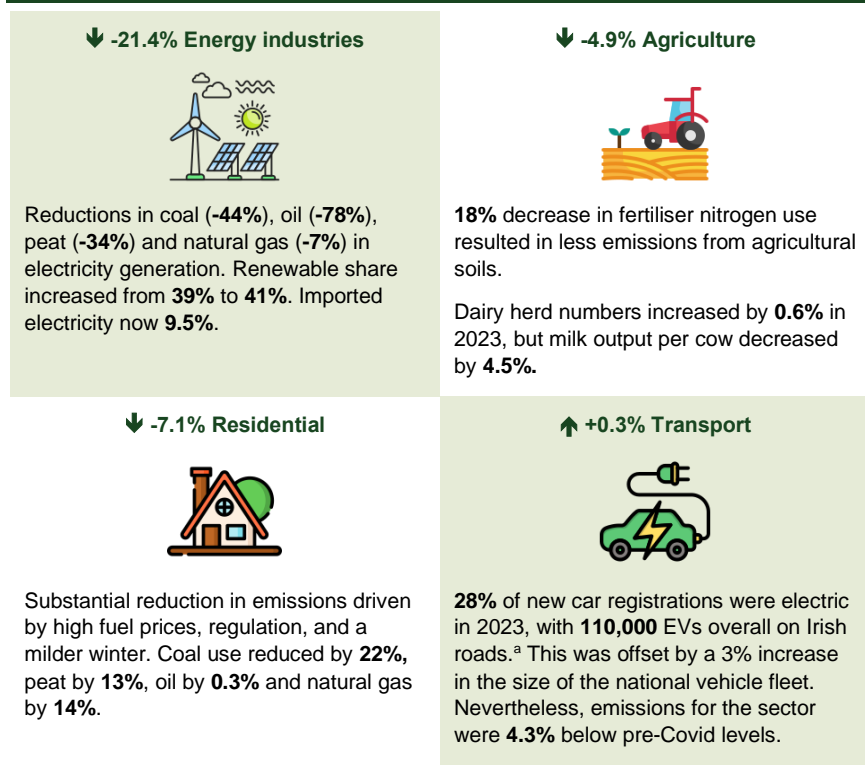
**12.21** The legislative framework that applies to Ireland’s commitment to achieve climate neutrality is multilayered. It involves multiple responses and initiatives (see Figure 12.5).

**Figure 12.3 Ireland’s GHG emissions by sector in 2023 (incl. LULUCF)**



Source: Environmental Protection Agency

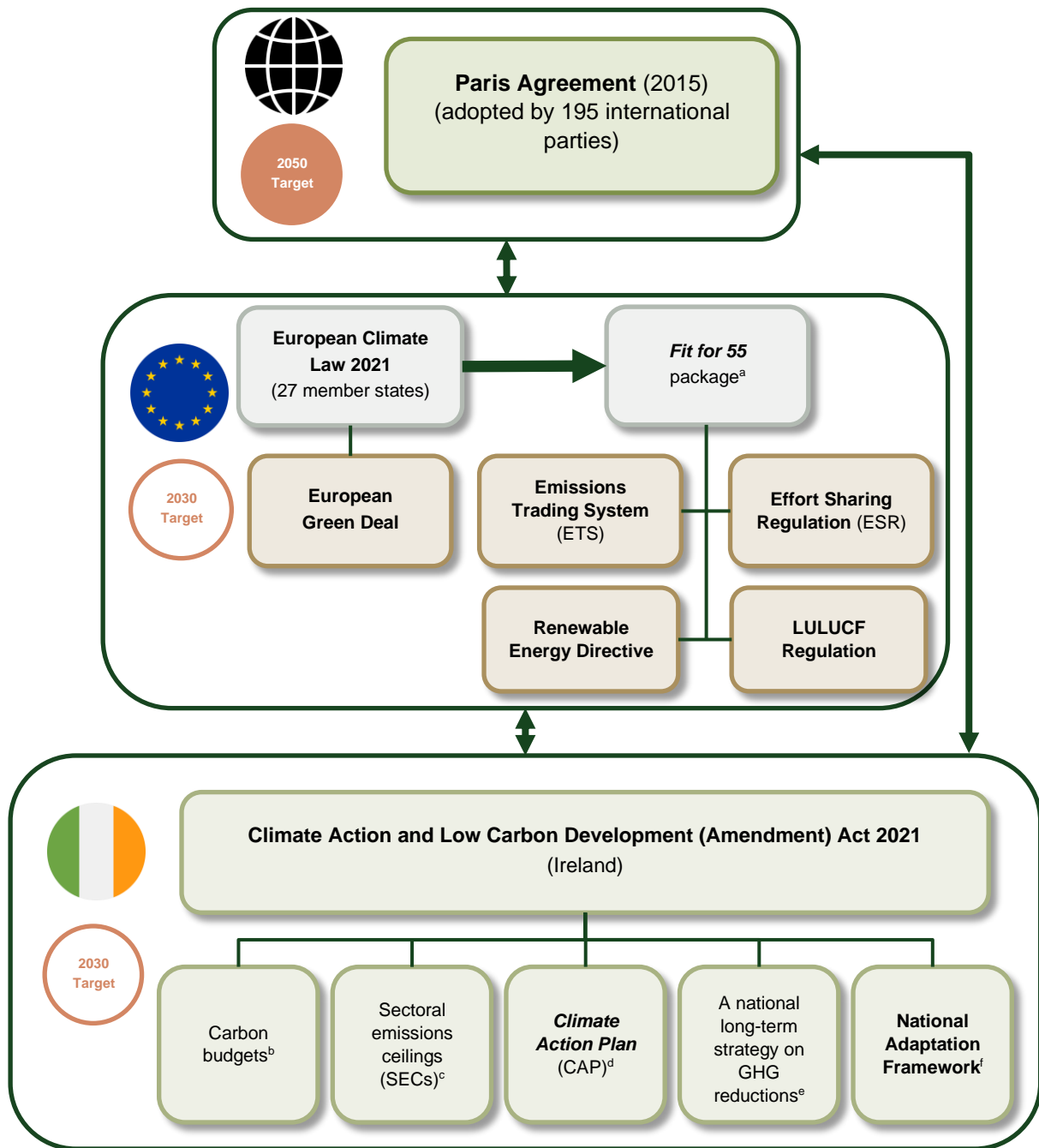
**Figure 12.4 Ireland’s GHG trends — a year-on-year analysis (2022 – 2023)**



Source: Environmental Protection Agency

Note: a EV numbers include both battery electric and plug-in hybrid vehicles as well as vans, buses, motorcycles and other vehicle types.

**Figure 12.5 Overview of the key international and domestic statutory and policy frameworks for climate neutrality in Ireland**



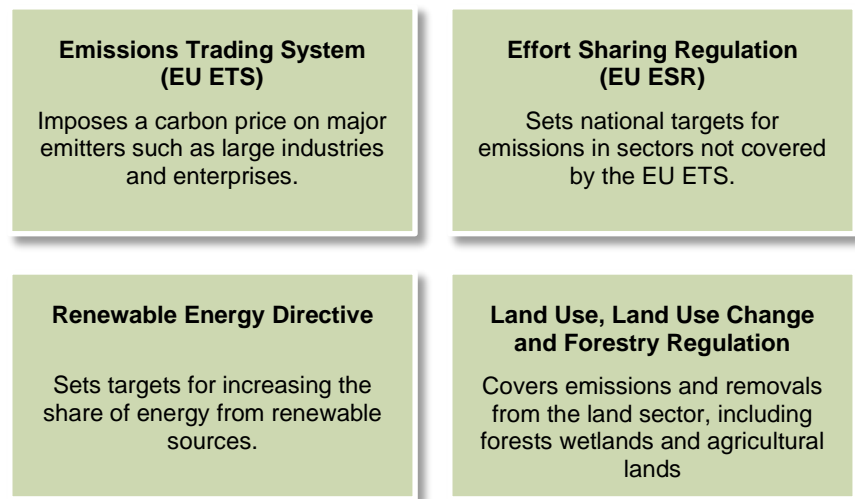
Source: Analysis by the Office of the Comptroller and Auditor General

- Notes:
- a [Fit for 55: Delivering on the proposals](#) depicts the key elements of the package and more details on the full range of proposals included.
  - b A carbon budget is the total amount of GHG Ireland can emit in a given five-year period. Carbon budgets proposed by the Climate Change Advisory Council for 2021 – 2025 and 2026 – 2030 were approved by Government and adopted by the Oireachtas in April 2022. A third and fourth carbon budget covering the period 2031 – 2040 have been proposed but not yet adopted.
  - c Sectoral emissions ceilings are the total amount of GHG emissions each sector of the economy can produce during a specific time period — approved by Government in July 2022.
  - d CAP25 is the third statutory update to Ireland’s Climate Action Plan originally published in 2019 and sets a course for Ireland’s targets for carbon neutrality.
  - e Ireland’s first long-term strategy was published in April 2023 and updated in August 2024. It is submitted to the European Commission and must be consistent with the Paris Agreement.
  - f Government-approved National Adaptation Framework required every five years — latest published in June 2024.

## European commitments

- 12.22** The EU's objective is, by 2030, to achieve an overall reduction in GHG emissions of 55% relative to a baseline of 1990 emissions. The main programmes in place to achieve this, referred to collectively as the EU *Fit for 55* package, are set out in Figure 12.6.

**Figure 12.6 EU *Fit for 55* main programmes**



Source: The European Council

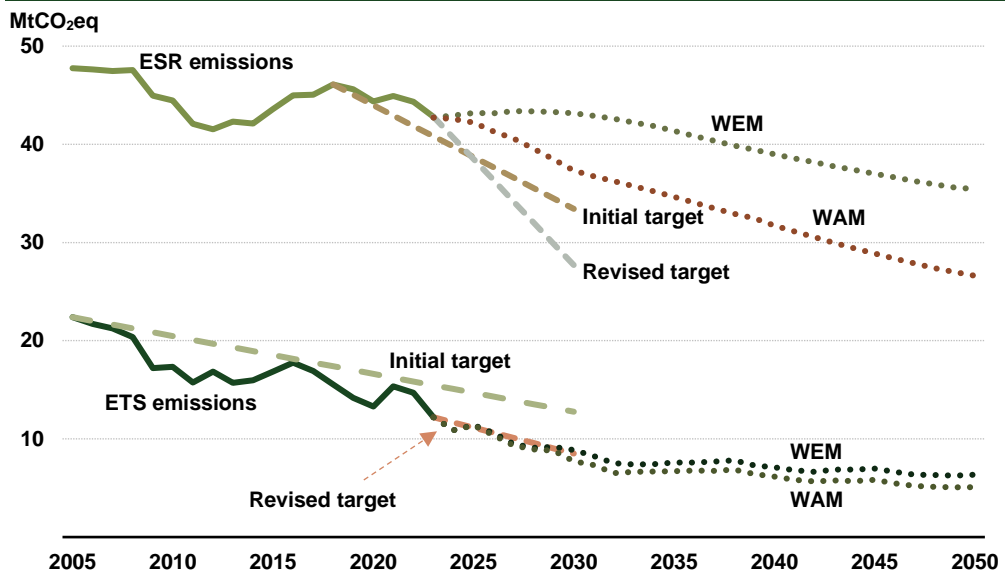
### ***Emissions Trading System***

- 12.23** The EU ETS was set up in 2005. Originally, sectors covered by EU ETS had to reduce their emissions by 43% by 2030 compared to 2005 levels. In a revision of the directive in 2023, the target for 2030 was revised to a 62% reduction.
- 12.24** Between 2005 and 2023, Ireland made good progress in reducing GHG emissions under the EU ETS, achieving a net GHG emissions reduction of 45%. The latest EPA projections indicate that Ireland's ETS emissions reduction will exceed the target, achieving emission reductions of 66% by 2030 with the implementation of additional measures (see Figure 12.7).

### ***Effort Sharing Regulation***

- 12.25** Ireland was assigned a 30% reduction target for 2030 compared to 2005 levels under the Effort Sharing Regulation (ESR) adopted in 2018. However, this target was revised in 2023 to a 42% reduction as part of the EU's increased climate ambition.
- 12.26** Between 2005 and 2023, Ireland made little progress in reducing GHG emissions under the EU ESR, achieving a net GHG emissions reduction of only 10.4%. The EPA projections based on existing measures indicate Ireland would achieve a total reduction of 9.6% from 2005 levels by 2030. The EPA projections indicate a potential 22% reduction is possible by 2030 with the implementation of additional measures (see Figure 12.7). In either case, the projected outcome is emissions significantly above the target level.

**Figure 12.7 Ireland’s GHG emissions, and projections, and EU ETS and ESR targets<sup>a,b,c</sup>**



Source: Environmental Protection Agency. Analysis by the Office of the Comptroller and Auditor General.  
 Notes: a Actual GHG emissions and projections data is subject to ongoing refinement to reflect developments in latest science and/or improvements in relevant activity data.  
 b Path to targets are shown as linear reductions for ease of comparison.  
 c ETS targets are EU wide.

**European penalties and costs**

**12.27** The targets set out in the EU programmes are legally binding. Missing the targets is likely to trigger compliance costs and financial penalties (see Figure 12.8).

**12.28** The EU ETS operates on a ‘cap and trade’ principle, where emission allowances are capped, auctioned and can be traded. Companies that exceed their allowances may face an excess emissions penalty. While member states are not liable for penalties under the EU ETS, they are designated with enforcement responsibility.<sup>1</sup>

**12.29** Auctioning of allowances in the EU ETS raises revenues for national budgets. Since 2013, the EU ETS generated over €230 billion in auction revenues (in 2024 alone, a total of €38.8 billion was raised). Ireland receives a national share of these auction proceeds. The trading system has resulted in proceeds of €777 million being received into the Exchequer from 2020 to 2024.<sup>2</sup>

**12.30** Under the Renewable Energy Directive, Ireland is required to maintain a baseline minimum of renewable sources delivering 16% of annual gross final consumption of energy (for electricity generation, transport and heating and cooling), rising to a 43% renewables share by 2030. The Sustainable Energy Authority of Ireland reported that the renewable energy share in 2023 — at 14.6% — was substantially below both the baseline and the trajectory required to achieve the 2030 target.<sup>3</sup>

1 As part of the 2023 revisions of the ETS Directive, a new emissions trading system named ETS2 was created. ETS2 will cover carbon dioxide emissions from fuel combustion in buildings, road transport and additional sectors (mainly small industry not covered by the existing EU ETS). It will become fully operational in 2027. See [ETS2](#) for more information.

2 Proceeds are net of €8.4 million paid to the EPA for administration expenses from 2020 to 2024.

3 [First Look: Renewable Energy in Ireland](#), Sustainable Energy Authority of Ireland.

**Figure 12.8 Overview of EU climate programmes, targets and compliance costs**

EU programme	Relevant sectors	2030 interim target	Possible compliance costs <sup>a</sup>
Emissions Trading System	Electricity generation Energy-intensive industries Intra-EU aviation Maritime transport	EU wide 62% reduction in emissions from these industries by 2030 when measured against 2005 baseline.	Companies that fail to surrender a sufficient number of allowances to cover their verified emissions are subject to financial penalties and may face regulatory consequences.
Effort Sharing Regulation	Transport Buildings Agriculture Waste Small Industry	42% reduction in ESR (non-ETS) emissions when measured against 2005 levels.  This is a target specific to Ireland which contributes to the EU wide target of 55% reduction.	Will depend on final emissions gap, the availability and price of annual emission allowances, and the EU compliance measures enforced.  While these cost estimates are inherently uncertain, estimates range from €5 billion to €16 billion with existing measures (WEM), and €3 billion to €10 billion with additional measures implemented (WAM).
Renewable Energy Directive	Renewable energy across electricity, heating (and cooling) and transport.	To maintain a baseline renewable energy share of 16% of gross final energy consumption and achieve a 43% renewable energy share by 2030.	Will depend on the final position of renewable energy share and the availability and price of statistical transfers from other EU countries.  Estimate range from €0.5 billion to €4.4 billion under the WEM scenario and €0.2 billion to €2.6 billion under the WAM scenario.
Land Use, Land Use Change and Forestry Regulation	Sets binding national limits on net emissions from the land sector, including forests, wetlands and agricultural land.	To achieve a reduction of 0.6 Mt CO <sub>2</sub> eq LULUCF emissions over the period 2026 – 2030, relative to average levels in 2016 – 2018.	Will depend on final LULUCF inventory data, the gap to target and the price and availability of allocations from other EU members.  Range from: €1.6 billion to €5.8 billion under the WEM scenario  €0.5 billion to €1.7 billion under the WAM scenario.

Source: European Commission (EU programmes and targets). Irish Fiscal Advisory Council and Climate Change Advisory Council (estimated compliance costs).

Note: a Possible compliance costs are estimated based on a range of different scenarios, including projected emissions if all currently implemented measures remain in place (WEM) and projected emissions if more ambitious actions are implemented (WAM)

**12.31** Member states that fall short of their renewable energy targets may avail of cooperation mechanisms such as statistical transfers, joint projects, coordinated support schemes or additional national measures to close compliance gaps.

**12.32** The EPA projects (under the WEM) that emissions from the LULUCF sector may increase by 95% by 2030 compared to 2018, largely due to expected forest harvesting given a maturing forest estate over that period. The LULUCF regulation does allow for the transfer of surplus credits between member states to achieve compliance. However, if the EU as a whole has not met its LULUCF targets — which it is not currently on track to do — this flexibility will not be available to Ireland.

- 12.33** The most significant compliance costs are likely to arise under the EU ESR. As Ireland is unlikely to meet its emission reduction targets in the ESR target sectors, it may purchase annual emission allocations from other member states with surplus allocations. The cost of these allocations will depend on market conditions, particularly supply and demand within the EU carbon market.
- 12.34** The latest EPA projections indicate that even with the implementation of all planned additional measures, Ireland's cumulative emissions 2021 – 2030 will still exceed the target level, for that period, by 47.6 Mt CO<sub>2</sub>eq.
- 12.35** However, the ESR includes flexibilities which Ireland can avail of to reduce the shortfall.
- **EU ETS allowances:** Ireland is allowed to cancel a limited number of EU ETS surplus allowances and use them to help meet ESR targets.
  - **LULUCF credits:** Ireland can use a limited number of removals from the LULUCF sector to offset excess GHG emissions. Ireland is likely to avail of LULUCF credits during the first compliance period (2021 – 2025) but it is unlikely to have any available credits in the second period (2026 – 2030).
- 12.36** The possible compliance costs facing Ireland are highly uncertain. They will depend on a number of factors including the final emissions position in 2030 and the shortfall to the binding targets, as well as the price and availability of flexibilities (such as annual emissions allocations, and statistical transfers or credits).<sup>1</sup>
- 12.37** A joint report published in March 2025 by the Irish Fiscal Advisory Council and the Climate Change Advisory Council estimated that Ireland could face substantial penalties if it fails to meet its EU carbon reduction targets.<sup>2</sup> The report estimates that noncompliance could result in costs ranging from €3 billion to €12 billion if additional measures are implemented, or from €8 billion to €26 billion by 2030 with existing measures. This is significantly higher than previous estimates.
- 12.38** Since 2023, a contingent liability has been disclosed in the appropriation account of Vote 29 Environment, Climate and Communications relating to the potential financial liabilities Ireland could face should it fail to meet its EU mandated GHG emissions reductions and targets. The potential liability is not quantified in the appropriation account.

<sup>1</sup> Under the ESR, there will be two compliance checks. The first check will be carried out in 2027 and cover emissions from the period 2021 – 2025. The second check will be completed in 2032 covering 2026 – 2030. The final position will not be confirmed until 2032.

<sup>2</sup> [A colossal missed opportunity](#) report — Ireland's climate action and the potential costs of missing targets.

<sup>3</sup> [Regulation \(EU\) 2018/1999 on the Governance of the Energy Union and Climate Action](#).

## Roles, responsibilities and governance arrangements

- 12.39** The Department monitors Ireland's GHG emissions through the EPA. The EPA is responsible for compiling and reporting on Ireland's emissions, for submission to the EU and UN as well as publication for national stakeholders. A national inventory report is published annually to inform all relevant stakeholders of emission levels. While the EU Regulation on the Governance of the Energy Union and Climate Action ((EU) 2018/1999) requires biennial reporting on current and projected emissions, the EPA produces annual reports to meet national stakeholder needs.<sup>3</sup>

**12.40** The Department of Climate, Energy and the Environment is the lead department for achieving carbon neutrality in Ireland — responsibility for driving its delivery spans several ministerial departments. In 2022, Government agreed the initial allocation of ministerial responsibility for sectoral emissions ceilings (see Figure 12.9).

**Figure 12.9 Ministerial responsibilities per sectoral emissions ceiling**

Sectors	Minister for Climate, Energy and the Environment	Minister for Transport	Minister for Enterprise, Tourism and Employment	Minister for Agriculture, Food, and the Marine	Minister for Housing, Local Government and Heritage	Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation
Electricity	●					
Transport		●				
Residential buildings	●					
Industry			●			
Commercial buildings			●			
Agriculture				●		
LULCUF				●	●	
Public sector <sup>a</sup>	●					●
Other (F-gases, waste & petroleum refining)	●					

Source: Department of Climate, Energy and the Environment

Note: a Joint departmental role across various departments (hospitals — Minister for Health; schools — Minister for Education).

### Monitoring outcomes

**12.41** The role of the EPA’s inventory and projections in assessing progress/projected progress towards target achievement is set out in the Climate Act. The EPA monitors progress towards overall and sectoral targets in its annual GHG emissions inventory and projection reports. These reports, along with the Climate Change Advisory Council’s annual report, inform monitoring of compliance within Ireland’s carbon budget programme and sectoral emission ceilings.

### **Carbon budgets**

- 12.42** The Climate Act requires that five-yearly carbon budgets should be set to further the achievement of the national climate objective. It also states that the first two carbon budgets should provide for a reduction in GHG emissions of 51% by 2030. The legislation also requires that any carbon budget 'deficits' are carried forward to the next budget period.
- 12.43** The first carbon budget allowed for 295 Mt CO<sub>2</sub>eq over the period 2021 – 2025. By the end of 2023, 63% of the carbon budget allowance had been used. The EPA predicts that the first carbon budget will be exceeded. In accordance with legislation, the second carbon budget (currently set at 200 Mt CO<sub>2</sub>eq) will be reduced by the amount carried forward. This will ultimately make it more challenging to stay within the second and subsequent carbon budget allocations.

### **Climate Action Plan**

- 12.44** The Climate Action Plan (CAP) is the key strategic document in place to inform Ireland's approach to achieving its national climate objective.<sup>1</sup> The CAP sets out strategic themes, alongside performance metrics and underlying actions. The metrics and actions are assigned to lead government departments to manage out to 2025 initially and then to 2030.
- 12.45** The metrics and actions are underpinned through key strategies in place within each sector.<sup>2</sup> The key metrics, and potential abatement (reduction in emissions) for themes associated with the agriculture sector are set out in Annex 12A by way of example.

### *Monitoring progress of delivery of the Climate Action Plan*

- 12.46** The Department of the Taoiseach oversees and monitors progress made against the actions and associated measures listed in the CAP. It publishes a quarterly progress report which is submitted to Government prior to being published.<sup>3</sup>
- 12.47** The progress reports focus on the actions that were due for completion in the year, as well as 'high-impact legacy actions' that were delayed and carried forward from previous climate action plans. The progress report for CAP 2024 states that an overall 64% implementation rate was achieved i.e. 80 of the 125 planned actions have been completed.
- 12.48** The progress reports also include a high-level overview of GHG emissions and potential abatement for each key sector alongside some key performance measures. However, as the CAP is subject to frequent review (each year) and actions can be revised or changed, it is difficult to track year-on-year progress or to assess the rate of progress made.
- 12.49** The examination team reviewed the way in which the key performance metrics for the climate action agriculture measures were reported in the CAP 2024 progress report to assess their utility.<sup>4</sup> In general, it was unclear from the information included in the report what the starting point was for each measure. For this reason, the extent of progress made, or the rate at which progress towards the target is being achieved, cannot easily be determined (see Figure 12.10).

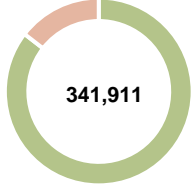
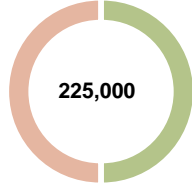
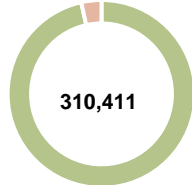
1 Ireland's first Climate Action Plan was developed in 2019. To date there were four updates to the CAP in 2021, 2023, 2024 and 2025.

2 For example, agriculture sector strategies include CAP Strategic Plan, Nitrates Action Programme 2022 – 2025, draft Biomethane Strategy, Tillage Incentive Scheme and Organic Farming Scheme.

3 [Climate Action Plan Progress Reports](#).

4 The CAP progress report also includes performance metrics for the transport, electricity, buildings, industry and LULUCF sectors. The performance metrics for agriculture were selected for the purpose of this examination as the agriculture sector is responsible for the highest percentage of national emissions.

**Figure 12.10 Example: Agriculture — key performance measures, Climate Action Plan Q4 2024 progress report**

Key performance indicators and 2030 targets	Observation
 <p data-bbox="491 629 635 689">341,911 400,000 ha for tillage by 2030</p>	<ul data-bbox="754 450 1305 725" style="list-style-type: none"> <li>• The starting point is not stated, so the reader is unable to determine progress made to date.</li> <li>• The lack of comparative information over time means that the reader is unable to determine the rate at which progress is being made.</li> <li>• A total of 348,000 hectares was reported in the 2023 progress report, indicating that some progress made in earlier periods has been reversed in 2024.</li> </ul>
 <p data-bbox="448 976 671 1037">225,000 450,000 ha for organic farming by 2030</p>	<ul data-bbox="754 779 1305 1055" style="list-style-type: none"> <li>• The starting point is not stated, so the reader is unable to determine progress made to date.</li> <li>• The lack of comparative information over time means that the reader is unable to determine the rate at which progress is being made.</li> <li>• A target of 350,000 hectares was first introduced in CAP21 and later increased to 450,000 in CAP23 indicating more ambitious targets for this metric.</li> </ul>
 <p data-bbox="437 1317 719 1377">310,411 Fertiliser use reduced to max 300,000 tonnes by 2030</p>	<ul data-bbox="754 1088 1305 1397" style="list-style-type: none"> <li>• The starting point is unclear, so the reader is unable to determine progress made to date or the rate at which progress is being made.</li> <li>• The chart used does not clearly highlight that the per annum target was exceeded by 10,411 tonnes in 2024.</li> <li>• A total of 399,000 tonnes was reported in the 2023 progress report, indicating that fertiliser use has decreased by around 22% by end 2024.</li> </ul>

Source: Department of the Taoiseach, Climate Action Plan progress reports. Analysis by the Office of the Comptroller and Auditor General.

**12.50** Performance information can play an important role in allowing stakeholders to understand what is (or is not) being achieved and to drive improvement. However, for performance metrics to be effective, they should be clearly stated, easy to understand, and capable of being measured. It is also important that the timeframe of the performance metric is clearly set out.

**12.51** In response to the examination, the Department of Taoiseach stated that it would endeavour to incorporate additional clarity and alternative methods of depicting progress in future reports.

### **Green budgeting and performance reporting**

- 12.52** Since 2019, the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (Department of Public Expenditure) has tracked and reported on 'climate-favourable' expenditure and included this information in an Appendix to the *Revised Estimates* volume. Annex 12B reproduces the climate-favourable expenditure and related performance metrics for Vote 30 Agriculture, Food and the Marine for 2024.<sup>1</sup>
- 12.53** The performance results, published by the Department of Public Expenditure in the annual *Public Service Performance Report*, measure delivery against target performance metrics. However, to date, performance reports have mainly focused on how funding is spent and the target number of recipients for climate-favourable schemes. The metrics convey little information about the outcome achieved from the spending.
- 12.54** There is scope to further align the performance metrics set out in the revised estimates with the performance metrics included in CAP progress reports. This would allow for the financial investment in climate actions to be linked to measurable progress and climate action outcomes. It could also help to focus financial investment decisions on the longer-term strategic objectives of the CAP.
- 12.55** The most recent *Public Service Performance Report*, for 2024, includes an overview of the green budgeting framework and a commitment to integrate reporting of climate and environmental expenditure metrics into the public service performance reports.<sup>2</sup>
- 12.56** The Department of Public Expenditure stated that strengthening the link between public spending, policy goals and the outcomes achieved will be a focus of its work in the coming years.

### **Conclusions**

- 12.57** Ireland has made progress in reducing GHG emissions, but the rate of reduction remains insufficient to meet the targets established. Current projections by the EPA indicate that, even with the implementation of planned additional measures, emissions are expected to exceed the national target in 2030.
- 12.58** If Ireland fails to meet its national emissions reduction targets, the consequences will be significant, affecting the State legally, financially, economically, environmentally, and politically.
- 12.59** EU targets for GHG emissions set out in the Emissions Trading System and Effort Sharing Regulation are legally binding. Current projections from the EPA indicate that even if all the measures set out in the *Climate Action Plan* are implemented, Ireland's emissions will still exceed the binding target set in the Effort Sharing Regulation. By 2030, Ireland is likely to need to purchase substantial emissions allocations from other EU member states which will result in significant financial liabilities and compliance-related costs to the Exchequer.
- 12.60** There is significant uncertainty around the value of compliance costs Ireland could face, with estimates ranging from €3 billion to €26 billion. However, investment in initiatives that offer the highest potential for reducing GHG emissions in future years could mitigate the liabilities.

<sup>1</sup> Climate-favourable expenditure is described as expenditure which promotes, in whole or in part, directly or indirectly, Ireland's transition to a low-carbon, climate-resilient and environmentally sustainable economy.

<sup>2</sup> The most recently published *Public Service Performance Report* (for 2024) is available [here](#).

- 12.61** The contingent liability associated with Ireland failing to meet GHG emissions reduction targets is acknowledged in Vote 29 Environment, Climate and Communications. However, as set out in the sectoral emissions ceiling, responsibility for delivering the national climate objective spans several departments of government. It is, so far, unclear which government department(s) will ultimately bear the costs of failing to deliver on agreed climate actions.
- 12.62** The *Climate Action Plan* is the key strategic document setting out a roadmap for the achievement of the national climate objective. It is frequently reviewed and updated, and progress on achieving key performance measures is reported quarterly.
- 12.63** However, the current approach to monitoring progress lacks clarity and does not effectively demonstrate year-on-year progress (or lack of progress) or ensure sustained focus on longer-term targets. There is a disconnect between monitoring the financial investment in climate favourable expenditure (through the green budgeting framework) and monitoring progress of the actions in the *Climate Action Plan*. This may hinder prioritisation of investments in those measures likely to deliver most in respect of Ireland's climate objectives.

## Annex 12A Example: Agriculture — Climate Action Plan themes and metric

Theme	Metric	Potential abatement to 2025
<b>Inputs and additives</b> Reduce chemical nitrogen use and use of low emission chemical fertilisers	Reduce chemical nitrogen use to a maximum of 330,000 tonnes	0.75 – 0.9 Mt CO <sub>2</sub> eq
	Target 80 – 90% uptake of protected urea on grassland farms	
<b>Husbandry practices</b> Reduce GHG emissions from the bovine herd	Target finishing age of 24 – 25 months	0.68 Mt CO <sub>2</sub> eq
	Reduce age of first calving suckler beef cows	
<b>Diversification</b> Expand the indigenous bio-methane sector through anaerobic digestion, increasing the area under tillage and increasing the level of organic farming	Production of 1 TWh of bio-methane by 2025	1.4 Mt CO <sub>2</sub> eq
	Construction of up to 20 anaerobic digestion plants of scale	
	Target up to 360,000 hectares tillage 250,000 hectares of organic farming	

Source: Climate Action Plan 2024

## Annex 12B Example: Agriculture — climate-favourable expenditure and performance metrics

### Output metrics

Subhead	Public service activities (output metric)	2024 target	2024 Estimate €000
B.3 Agri-environmental schemes	No. of applicants to pay under the Organic Farming scheme	5,000 applicants	92,499
	Organic Farming scheme hectares	218,000 hectares	
B.4 Areas of Natural Constraint	No. of participants in the Areas of Natural Constraint scheme	99,000 participants	247,000
B.10 Forestry and bio-energy	No. of hectares of new forestry planted	8,000 hectares	97,000
B.14 Agri-Climate Rural Environment Scheme	No. of applicants to pay under ACRES (the agri-environmental scheme)	28,200 applicants	200,000
B.15 Organic Farming Scheme	No. of applicants to pay under the Organic Farming scheme	5,000 applicants	47,000
	Organic Farming scheme hectares	218,000 hectares	
B.13 Carbon Tax Measures	—	—	3,850
D.4 Marine Institute Grant	—	—	43,377
<b>Total</b>			<b>730,726</b>

### Public policy impact (outcome) indicators

Subhead and public policy impact (outcome)	2020	2021	2022
B.3 and B.15 Area of land farmed organically	72,000	90,000	110,000
B.3 Change in absolute agricultural GHG emissions from 2005 baseline of 20.847 Mt CO <sub>2</sub> eq	+1.02	+1.12	Not available
B.10 Increase in areas under forestry (and % change over previous year)	2,434 (+0.31)	Not available	Not available
B.10 Total area of land under forestry	780,029	Not available	Not available

Source: Revised Estimates 2024, Vote 30 Agriculture, Food and the Marine



# 13 Clearing of the Carbon Fund

**13.1** The Kyoto Protocol (the Protocol) adopted in 1997 set binding targets for industrialised states, including the EU member states, to reduce greenhouse gas (GHG) emissions over two commitment periods: 2008 – 2012 and 2013 – 2020 (see Figure 13.1).<sup>1</sup> In 2015, Ireland also signed up to the Paris Agreement which set commitments for reductions in GHG emissions between 2021 and 2030.

**Figure 13.1 Ireland's emissions targets**

Period	Target
2008 – 2012	Limit annual emissions to no more than 13% above 1990 levels, by end 2012. <sup>a</sup>
2013 – 2020	Reduce non-ETS emissions to 20% below 2005 levels by end 2020.

Source: Kyoto Protocol (1997)

Note: a The trading sector and the EU member state governments shared responsibility for achieving the emissions reduction target. The EU Emissions Trading System (ETS) set a Europe-wide cap on emissions by certain energy-intensive sectors. The State assumed responsibility for reduction of all non-ETS emissions.

**13.2** The Protocol allowed nations to buy carbon credits, also referred to as 'Kyoto units', where they were unable to meet emissions targets through mitigation measures alone.<sup>2</sup> The Department of Climate, Energy and the Environment (the Department) is responsible for decisions to purchase carbon units, as and when required.

**13.3** The Carbon Fund (the Fund) was established by the Carbon Fund Act 2007 to record carbon credit transactions.<sup>3</sup> The National Treasury Management Agency (NTMA) was appointed to manage the Fund and to be the designated purchasing agent on behalf of the State. The NTMA administers and manages the carbon credit transactions. It is also required to submit an annual report to the Minister for Climate, Energy and the Environment (the Minister) on the activities of the Fund, and to prepare annual financial statements.

**13.4** The financial statements of the Fund for the financial year 2024 report the cancellation of the last remaining carbon credits purchased under the Kyoto arrangements. This report was compiled to explain the background to and reasons for the cancellation.

<sup>1</sup> The Kyoto Protocol was adopted in December 1997 and came into force in February 2005.

<sup>2</sup> A Kyoto unit is equivalent to one metric tonne of carbon dioxide.

<sup>3</sup> See also *Report on the Accounts of the Public Services 2008*, chapter 19, [Investment in Carbon Credits](#).

<sup>4</sup> [National Climate Change Strategy, 2007 – 2012](#).

## Achieving Ireland's emissions targets

**13.5** Ireland's plan to achieve its GHG emissions reduction targets involved buying carbon credits to offset expected emissions in excess of the Kyoto limits.

### **Commitment period 1 (2008 – 2012)**

**13.6** For the first commitment period, it was projected that excess emissions would require the State to purchase 18 million carbon credits.<sup>4</sup>

- 13.7** The total number of credits obtained by the State was just over 9 million.
- The NTMA acquired 5.26 million credits through direct purchases from the market at a cost of €89.6 million.
  - The remaining credits were obtained through investments of just over €26.5 million net in multilateral funds — the BioCarbon Fund, the Carbon Fund for Europe and the Multilateral Carbon Credit Fund (see Annex 13A).
- 13.8** The actual requirement for carbon credits in the first commitment period was only 3.05 million. This was largely due to the contraction in economic activity that occurred during the 2008 – 2012 period. The remaining credits (almost 6 million) were available for use during the second commitment period.

### **Commitment period 2 (2013 – 2020)**

- 13.9** Ireland's commitments for the second Kyoto period were mainly to be discharged through the 2009 EU Effort Sharing Decision.<sup>1</sup>
- 13.10** During the period 2019 – 2021, the Fund purchased almost 2.95 million certified emissions reduction units at a cost of €2.1 million.<sup>2</sup>
- 13.11** In 2021, it was estimated that excess emissions at the end of 2020 would require the State to surrender just over 12 million carbon credits.<sup>3</sup>
- 13.12** The Effort Sharing Decision placed certain restrictions on the types of carbon credits that could be applied by member states in respect of the 2013 – 2020 period. This resulted in Ireland being unable to use 702,000 of its carbon credits in respect of commitment period 2 (see Figure 13.2).
- 13.13** To meet the balance of the liability in respect of the missed 2020 target, in early 2023, the Department purchased and surrendered 4.15 million annual emission allocation units, under a bilateral agreement with Slovakia, at a cost of €2.9 million. This transaction took place separate to the Fund.

**Figure 13.2 Ireland's carbon credits recorded and surrendered by period<sup>a,b</sup>**

Carbon credits	Commitment period	
	1 (2008 – 2012)	2 (2013 – 2020)
	000 credits	000 credits
<b>At the start of period</b>	—	5,967
<b>Purchased by</b>		
The Fund	9,019	2,944
The Department	—	4,150
<b>Surrendered</b>	(3,052)	(12,359)
<b>Balance at period end</b>	<b>5,967</b>	<b>702</b>

Source: NTMA and Department of Climate, Energy and the Environment. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- Information above refers to transactions related to the period, not necessarily within the period.
  - Credits purchased for period 1 are carbon credits. Credits purchased for period 2 are certified emissions reduction credits and annual emissions allocation units.

<sup>1</sup> [Decision No 406/2009/EC](#), of 23 April 2009.

<sup>2</sup> The [Clean Development Mechanism](#) is a carbon offsetting mechanism introduced in the Kyoto Protocol that provides for the creation of 'certified emissions reduction' units.

<sup>3</sup> [NTMA Carbon Fund Annual Report 2021](#).

## Cancellation of the unused credits

- 13.14** The Kyoto Protocol allows for the voluntary cancellation of units.
- 13.15** The Department stated that the European Commission had advised member states against taking action regarding surplus units until the United Nations Framework Convention on Climate Change had published its review reports for the second commitment period under the Kyoto Protocol which were due by mid-2023.
- 13.16** The Carbon Fund financial statements for the year ended 31 December 2024 note that the State still held 702,000 carbon credits. These were being held at nil value.
- 13.17** In April 2025, the NTMA received an instruction from the Department for the voluntary cancellation of the remaining 702,000 units on the basis that they cannot be used for compliance with current EU emissions reduction targets and are not valid for use under the Paris Agreement. The cancellation occurred on 17 April 2025 and the Fund now has no remaining carbon credits.

## Unused carbon credits

- 13.18** Over 90% (637,000) of the 702,000 unused credits resulted from Ireland's investment in the BioCarbon Fund. Ireland's total contribution to the BioCarbon Fund was a net €7.25 million, which yielded 1.859 million credits.
- 13.19** The Effort Sharing Decision excluded the use of credits arising from land use activities.<sup>1</sup> The BioCarbon Fund credits were generated from afforestation/reforestation projects and for that reason, the related credits were ineligible for use to offset excess emissions in the second commitment period.
- 13.20** The remaining 65,000 unused credits resulted from investments made in the Carbon Fund for Europe and the Multilateral Carbon Credit Fund. The Department stated that these credits were also not eligible for use due to the European Commission revising the list of credits eligible for use by member states under the Effort Sharing Decision.
- 13.21** The Department stated that it would be complicated to calculate the cost of these credits as the investment amount in these funds was fixed but the number of units received changed as more projects delivered units.
- 13.22** The current EU legislative framework sets out binding targets for member states' GHG emissions reductions to 2030. This only provides for the trade or use of annual emission allocation units generated by EU member states. It does not permit the trade or use of international carbon credits recognised under the United Nations Framework Convention on Climate Change.
- 13.23** Legal advice obtained by the Department indicated that the Carbon Fund Act, in its current form, does not provide for the purchase of 'annual emission allocation' units as they are an EU specific unit not recognised independently under the United Nations Framework Convention on Climate Change. However, it was further advised that the Carbon Fund Act could readily be amended to provide for the purchase of annual emission allocation units, under the European Communities Act 1972.

<sup>1</sup> Land use, land-use change and forestry covers the following categories: forest land, cropland, grassland, wetlands, settlements, other land and harvested wood products.

## Status of the Carbon Fund

- 13.24** The Fund has been dormant since 2022 with no assets other than the 702,000 unusable carbon credits which were carried at nil value. With the cancellation of the credits in April 2025, the nominal assets have now been eliminated, and the Fund is effectively dormant.
- 13.25** The Carbon Act 2007 does not include a 'sunset clause' which would automatically cause the Fund to be legally dissolved once its activities have ceased. As a result, annual audited financial statements, and an annual report to the Minister, will continue to be required until the Act is changed.
- 13.26** The administrative and reporting costs of the Fund are incurred by the NTMA, and no charges are disclosed in the financial statements of the Fund. The NTMA does not recharge the Department for the costs of administration or producing the Fund's annual report or financial statements. The NTMA has estimated these costs to be approximately €5,000 per annum.

## Conclusions

- 13.27** The Carbon Fund served for a period to facilitate Ireland to buy and hold carbon credits as part of its strategy to meet emissions targets under the Kyoto Protocol. Using the Fund, the State spent over €118 million net in acquiring almost 12 million carbon credits to meet anticipated obligations up to end 2022. Over 11 million of the credits were used to meet obligations over the period.
- 13.28** The Department also purchased and surrendered 4.15 million units under a bilateral agreement with Slovakia, at a cost of €2.9 million. This transaction took place separate from the Fund.
- 13.29** As a result of restrictions introduced under the 2009 EU Effort Sharing Decision, Ireland was not able to use the remaining 702,000 carbon credits in the Fund during the second Kyoto commitment period. The cost of acquiring the unused credits has been effectively written off.
- 13.30** More recent carbon credit purchases have been in the form of annual emission allocation units. Legal advice obtained by the Department indicated that the Carbon Fund Act, in its current form, does not provide for the purchase of such units, but could be readily amended to provide for this. Absent a change in the legislation, annual financial reporting and auditing will continue for the effectively dormant Carbon Fund account. However, any such change is a policy matter.

## Annex 13A Summary of Carbon Fund transactions, 2007 to 2024

Cost €000					
	Commitment period				
	2008 – 2012		2013 – 2020		Total
	Gross <sup>a</sup>	Refund <sup>b</sup>	Subtotal	Spend	
Market	89,573	—	89,573	2,117	91,690
<b>Multilateral funds</b>					
BioCarbon Fund	7,670	(415)	7,255	—	7,255
Carbon Fund for Europe	4,100	(98)	4,002	—	4,002
Multilateral Carbon Credit Fund <sup>c</sup>	20,000	(4,746)	15,254	—	15,254
<b>Total</b>	<b>121,343</b>	<b>(5,259)</b>	<b>116,084</b>	<b>2,117</b>	<b>118,201</b>

Carbon credit units (000) <sup>d</sup>						
	Commitment period 1		Carried over	Commitment period 2		Balance
	2008 – 2012			2013 – 2020		
	Purchased <sup>e</sup>	Used	Purchased	Used		
Market	5,255	—	5,255	2,944	(8,199)	—
<b>Multilateral funds</b>						
BioCarbon Fund <sup>f</sup>	1,859	(1,222)	637	—	—	637
Carbon Fund for Europe <sup>g</sup>	244	(200)	44	—	—	44
Multilateral Carbon Credit Fund <sup>h</sup>	1,661	(1,630)	31	—	(10)	21
<b>Total</b>	<b>9,019</b>	<b>(3,052)</b>	<b>5,967</b>	<b>2,944</b>	<b>(8,209)</b>	<b>702</b>

Source: NTMA and the Department of Climate, Energy and the Environment

- Notes:
- a The gross cost figures for fund transactions represent the cash amounts paid. Commitments may have been entered into several years before payment was made.
  - b Refunds of investments made arose when the funds transferred were not ultimately invested in the various carbon credit generating projects.
  - c The Department of Climate, Energy and the Environment had already committed to a €20 million investment in the Multilateral Carbon Credit Fund, prior to the establishment of the Carbon Fund. The annual reports and financial statements of the Fund include the related carbon credits.
  - d Various types of carbon credits — each the equivalent of one metric tonne of CO<sub>2</sub> — were acquired through different mechanisms.
  - e The nature of the multilateral funds is that the number and timing of carbon credits receivable is uncertain. In some cases, credits were received several years after the initial investment.
  - f The BioCarbon Fund closed in 2021.
  - g The Carbon Fund for Europe closed in 2018.
  - h The Multilateral Carbon Credit Fund closed in 2014.



# 14 Bovine TB eradication programme

**14.1** Bovine TB is a highly infectious, chronic disease of cattle caused by a bacterium called mycobacterium bovis. Infection is typically spread through cattle movement and through direct or indirect contact between infected cattle. Infected wildlife is also a significant source of transmission. Bovine TB presents potential risks to humans and impacts access to beef and dairy export markets.

**14.2** The Department of Agriculture, Food and the Marine (the Department) is responsible for Ireland's bovine TB eradication programme (the programme).<sup>1</sup>

**14.3** In May 2018, the Government formally adopted a policy aiming to achieve the eradication of bovine TB by 2030. The 2024 herd incidence rate of bovine TB was just over 6%.<sup>2</sup> This is the highest incidence rate in 21 years. The incidence rate has continued to increase in 2025 and is projected to reach approximately 6.5% by the end of 2025. This trend poses a serious risk to Ireland's goal of eradication of bovine TB by 2030.

**14.4** The increased incidence of TB also imposes a significant financial burden on the Exchequer. In the ten-year period to the end of 2024, bovine TB cost the Department almost €500 million. The cost to the Department in 2024 was just over €100 million, an increase of 35% on 2023.<sup>3</sup>

**14.5** Even very well-informed and well-resourced farming enterprises are at risk from bovine TB infection and the ensuing restrictions and economic impacts. Teagasc's Animal and Grassland Research and Innovation Centre at Moorepark, in county Cork, is the centre of research on milk production in Ireland.<sup>4</sup> The Moorepark farm has been placed under TB herd movement restrictions on a number of occasions, most recently in July 2025, with heightened biosecurity protocols in place.

<sup>1</sup> Under EU animal health law, Ireland is obliged to have an eradication programme. It is also necessary to facilitate international trade.

<sup>2</sup> The 'herd incidence rate' is calculated as the number of new herd restrictions due to bovine TB divided by the total number of herds tested over a specified time period.

<sup>3</sup> Exchequer funding as per the appropriation account. It excludes Department staff payroll costs.

<sup>4</sup> Teagasc is a State body operating under the auspices of the Department. It carries out research and provides advisory services to Irish farmers.

## Focus of the examination

**14.6** This examination was undertaken to review

- the factors that contributed to the recent increase in the incidence of bovine TB in Ireland
- if the programme is operating as intended and is efficient in its use of resources, and
- how the Department evaluates the effectiveness of the programme in the achievement of its objectives.

**14.7** The examination team interviewed staff from the Department, reviewed a range of documents, attended an on-farm bovine TB test and reviewed a sample of compensation claims by herd owners. While the examination team reviewed Department expenditure on the programme, related expenditure by herd owners was not within the scope of this examination.

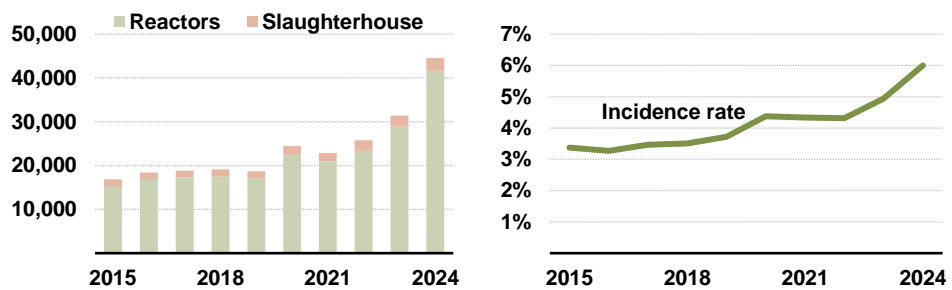
## Background to the eradication of bovine TB

**14.8** The TB eradication programme first launched in Ireland in 1954. Prior to this, bovine TB was endemic, with an estimated herd incidence rate of approximately 80%.<sup>1</sup> By 1965, rapid progress had been made and the herd incidence rate had been reduced to around 2%. However, progress in eradication has slowed since then and the disease has remained a constant factor in Ireland.

### Trends in bovine TB

**14.9** Compared to 2015, the number of animals identified through TB testing as 'reactors' more than doubled in 2024.<sup>2</sup> There was a 44% increase in test reactors in 2024 alone (see Figure 14.1).

**Figure 14.1 TB cases detected and herd incidence rate, 2015 – 2024<sup>a</sup>**



Source: Department of Agriculture, Food and the Marine

Note: a The total number of TB cases comprises the number of reactors (the animal is live when TB is detected) and the number of slaughter plant cases (the animal is dead when TB is detected).

### Recent increases in disease levels

**14.10** The Department noted that the removal of milk quotas in 2015 led to a significant expansion of the Irish dairy sector. Dairy herds are at higher risk for bovine TB due to longer residency times, increased movements, higher stock density and larger herd sizes. For 2023, even though 12% of all herds were dairy herds, 35% of all cattle were in dairy herds.<sup>3</sup> The Department also stated that growth in intensive farming practices, along with a significant increase in the number of cattle involved in each outbreak in recent years, has contributed to the increase.

**14.11** The Department also explained that there is evidence of TB spread within and between herds. Cattle-to-cattle spread is the main component of the recent increase, in relation to large breakdowns. However, it should be noted that TB may have been introduced by another source.

**14.12** In addition to herd size and density, levels of bovine TB are influenced by factors such as cattle management practices and biosecurity, cattle interactions with wildlife, TB history in a herd, testing and surveillance and cattle movement. Older animals, those with an inconclusive test and those that have been in a previous breakdown are at higher risk of infection.<sup>4</sup>

<sup>1</sup> The pre-1954 incidence rate refers to distinct herds with at least one TB positive animal in the period concerned, regardless of when the breakdown commenced.

<sup>2</sup> A reactor is a live animal that has failed a test for bovine TB. This may be the skin test, the blood test or any other authorised test for TB.

<sup>3</sup> Classified using the Brock herd classification system.

<sup>4</sup> A breakdown is an episode during which the official TB-free status of a herd is withdrawn, due to a positive TB test.

**Herd density and movement**

**14.13** Ireland has one of the highest cattle densities in the EU, as well as high degrees of farm fragmentation, and high levels of cattle movement.<sup>1</sup> The Department stated that in 2024, two million movements of cattle took place in cattle marts and 380,000 cattle were exported.

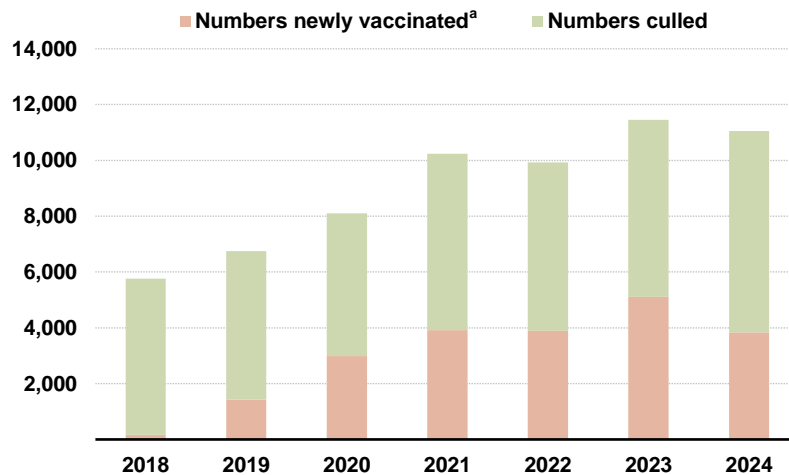
**Wildlife**

**14.14** Wildlife is a source of infection of bovine TB in Ireland. Badgers act as the primary reservoir of wildlife infection, with two-way transmission. There is evidence that wild deer are also a source of transmitting TB in Wicklow.<sup>2</sup>

**14.15** Badgers play an important role in the Irish ecosystem and are a protected species under the Wildlife Act 1976. This means that while badgers can be culled, the Department must obtain a licence from the National Parks and Wildlife Service to do so. Licences are only granted in areas where badgers are implicated in bovine TB outbreaks and in high-incidence areas.

**14.16** The current bovine TB strategy includes both the vaccination and culling of badgers (see Figure 14.2). The efficacy of the vaccine is estimated to be approximately 60%. The Department estimates that in 2024, it cost approximately €468 to vaccinate a captured badger and €660 to cull a badger.<sup>3</sup> It is not possible to vaccinate and/or cull all badgers and so effective biosecurity measures in preventing the spread of infection from wildlife to cattle is essential.

**Figure 14.2 Numbers of badgers vaccinated and culled, 2018 – 2024**



1 In 2020, Ireland had the sixth-highest livestock density of the EU — [Eurostat livestock density and grazing density, 2020](#).

2 In February 2025, the Department awarded a tender for a deer management strategy programme.

3 Expenditure attributed to vaccinating a captured badger and to culling a badger are based on fixed and variable costs associated with capturing and vaccinating a single badger.

Source: Department of Agriculture, Food and the Marine

Note: a In the years 2018 – 2024, more badgers were captured than were vaccinated as some badgers captured had previously been vaccinated and were released. The Department incurs costs in relation to these recaptures.

## Biosecurity

- 14.17** Biosecurity refers to the implementation of measures to reduce the risk of disease entering a farm and transmission within a farm. Examples are improving boundary fencing, increasing routine cleaning and disinfection, the installation of sheeted gates and raising feed and water troughs.
- 14.18** Many biosecurity measures are affordable, practicable and achievable and while they cannot eradicate bovine TB in isolation, these measures can be highly effective in combination with other interventions. In published guidance, the Department strongly encourages herd owners to have robust biosecurity measures in place.<sup>1</sup>
- 14.19** Herd owners who experience a recent TB breakdown or have a high-risk herd not currently in a TB breakdown are eligible to participate in the TB biosecurity ‘targeted advisory service on animal health’ (TASAH) programme, which is offered in conjunction with Animal Health Ireland.<sup>2</sup> This programme offers targeted advice to farmers regarding TB biosecurity and is delivered through private veterinary practitioners (PVPs).
- 14.20** In 2024, the Department received 514 applications (178 post-breakdown and 336 high-risk). Of the high-risk herds, only 36% of those invited to participate, participated.<sup>3</sup>

## Testing

- 14.21** Tests used in the bovine TB surveillance programme include skin testing, blood testing and post-mortem testing. No single test can identify all infected cattle, and each test type has limitations (see Annex 14A for an overview of the bovine TB breakdown process).
- 14.22** Skin and blood testing in combination can identify between 90% and 95% of TB cases.
- The skin test is used in an annual herd test conducted by Department-approved PVPs.<sup>4</sup> The EU endorses the skin test as the primary diagnostic tool for routine bovine TB testing. However, it requires two veterinary visits to a farm – first to administer the test, and then to measure the reaction to the test. In addition, the correct administration of the test and the accurate measurement of the response are dependent on the skill of the tester.
  - Blood testing has a higher sensitivity rate than skin testing but a higher rate of false positives.
- 14.23** All cattle slaughtered for trade purposes are subject to an ante-mortem and post-mortem examination by a temporary veterinary officer, contracted by the Department. In 2024, TB was detected in over 3,000 cattle from non-restricted herds. This was from a total of approximately 1.8 million that were sent for slaughter as healthy cattle in Department-approved slaughter plants.

<sup>1</sup> [Keeping Animals Safe from Disease. A National Farmed Animal Biosecurity Strategy \(2021 – 2024\).](#)

<sup>2</sup> A high-risk herd is a herd where there are three or more standard skin reactors in a breakdown. A TB herd categorisation is assigned to each herd based on the number of years a herd has tested clear of TB and the number of breakdowns in the previous ten years.

<sup>3</sup> Invitations to herd owners that have recently experienced a TB breakdown to participate are issued by the Department at regional level. Figures are not available for the number of herd owners invited.

<sup>4</sup> The Department maintains a panel of approved PVPs, on a regional basis. Herd owners are free to choose any PVP from the panel.

### Quality control of PVPs

- 14.24** PVPs conduct the vast majority of testing carried out, including the statutory annual herd skin test, and record the results on the Department's Animal Health Computer System. Herd owners pay for the annual testing, while the Department pays for all testing related to TB control such as breakdown testing.
- 14.25** Poor quality testing can result in undetected TB cases in herds. Risks identified include non-adherence to testing standards, incorrect testing and familiarity between a herd owner and PVP. The Department operates a system to assess quality control, on a risk basis. Two metrics are used to select PVPs for quality review — the number of positive herd tests and the number of tracebacks.<sup>1</sup> The Department uses data from all testers to determine a performance benchmark to select PVPs for examination. Department veterinary inspectors then attend and inspect a TB test being performed by a PVP, on either the first or second day of testing.
- 14.26** There are two types of inspections of PVP testing.
- **Within-county inspections** are generally announced in advance and are selected mainly on a risk basis. A small proportion of cases for within-county inspection are selected randomly, and these are also usually announced in advance.
  - **Out-of-county inspections** are also selected based on a risk assessment. These inspections are not announced in advance, but the PVP may be notified of a three-month 'window' during which the inspection will occur.
- 14.27** In 2024, just under ten million skin tests were performed by just over 1,000 PVPs. The Department inspected skin tests conducted by 151 PVPs as part of its quality review programme in 2024 (140 within-county and 11 out-of-county). Of these, 16 were random inspections.
- 14.28** A total of 13 PVPs, almost 9% of the PVPs reviewed in 2024, were sanctioned by the Department as a result of an inspection (see Figure 14.3). PVPs restricted from conducting testing as part of the bovine TB programme can still carry out other work for the Department.

**Figure 14.3 PVP sanctions for non-compliance 2024**

Sanction	No. of PVPs
Retraining/reinspection	3
1-month suspension	5
3-month suspension	2
4-month suspension	1
6-month suspension	1
18-month suspension	1
<b>Total</b>	<b>13</b>

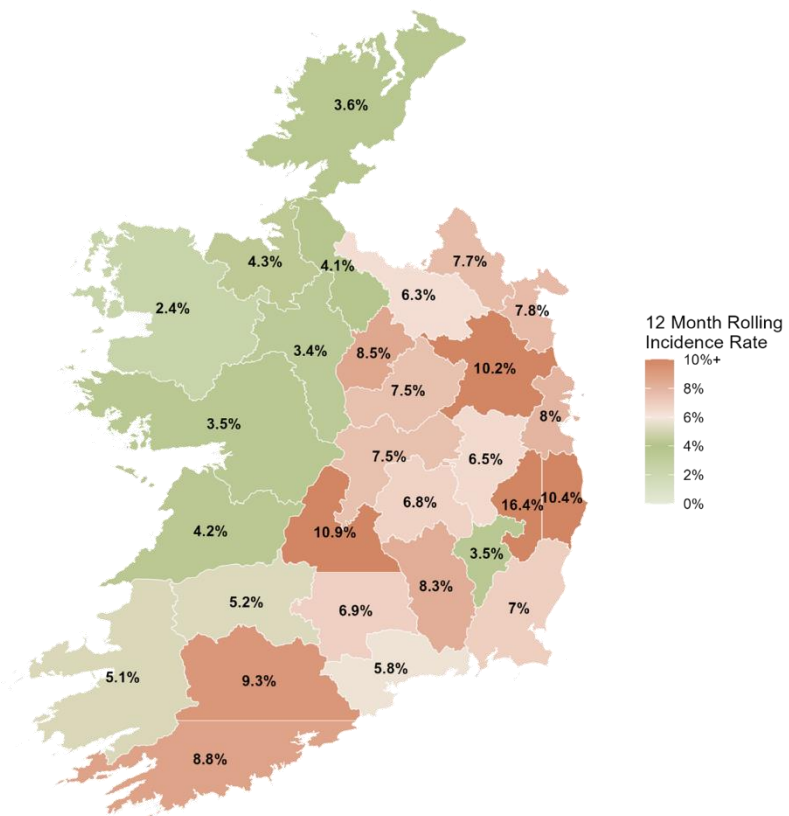
Source: Department of Agriculture, Food and the Marine

<sup>1</sup> Tracebacks occur when, due to the identification of infection, previous herds or locations where the TB positive animal resided are identified. In relation to quality testing, tracebacks indicate that an animal with a negative skin test, tested positive for TB at a later date.

**Regional variations**

- 14.29** There are large variations in the incidence of bovine TB across Ireland. Incidence detected in 2024 ranged from a low of 2.4% of herds in Mayo to a high of 16.4% of herds in Wicklow West (see Figure 14.4), where wild deer are considered to present a particular control challenge. Nevertheless, the Department has not adopted a regional approach to the management of bovine TB. Currently, its focus is on high-risk herds, as opposed to high-risk regions.
- 14.30** The Department has acknowledged that a regional approach could lead to a reduction in testing requirements, more favourable trading status for herd owners and improved market access. Given the challenges to a regional approach, the Department stated that commitment from all stakeholders would be necessary to implement such a change in approach.<sup>1</sup>

**Figure 14.4 Herd incidence rate by regional veterinary office 2024**



<sup>1</sup> Challenges to a regional approach include inward movement of infected cattle between farms, shared machinery leading to potential contamination, and inward movement of infection via wildlife.

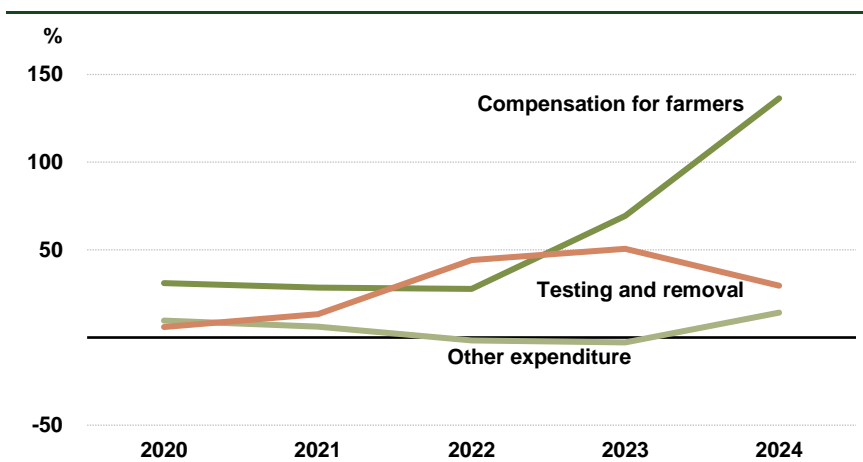
Source: Department of Agriculture, Food and the Marine

## Programme expenditure

### Programme budgets versus outturns

- 14.31** Actual expenditure on the eradication programme exceeded the budget provided each year between 2020 and 2024. The variance has risen from 17% in 2020 to 76% in 2024. The cost of compensation to farmers (2024: €64 million) has significantly exceeded the budgeted amount each year of the period, rising to an excess of 136% in 2024 (see Figure 14.5). Costs of testing and removal of reactors (2024: €23 million) were also significantly over the budgeted amounts. Other expenditure, including spending on wildlife culling and vaccination, was broadly in line with the budgeted sums.

**Figure 14.5 Actual expenditure versus budgeted expenditure variances for main programme areas, 2020 – 2024<sup>a</sup>**



Source: Department of Agriculture, Food and the Marine. Analysis by the Office of the Comptroller and Auditor General.

Note: a Budgets are prepared by the Department, based on the estimate provision for subhead A.4 Bovine TB and brucellosis eradication.

### Compensation

- 14.32** Schemes to compensate herd owners form a very significant part of the bovine TB programme (see Annex 14B for an overview).
- 14.33** The On-Farm Market Valuation (OFMV) scheme is the principal compensation measure available to herd owners (see Figure 14.6). The scheme aims to compensate farmers up to the open market value for animals that are to be removed from herds as if they were not affected by bovine TB.
- 14.34** Valuations of animals are subject to acceptance by both the herd owner and the Department and either party may initiate an appeal if dissatisfied with the valuation. If a second valuation is rejected by either party, the case goes to arbitration. In the period 2020 – 2024, 98% of initial valuations were accepted. Valuations in relation to 104 herd owners went to arbitration.<sup>1,2</sup>

<sup>1</sup> The arbitration panel normally sits four times a year. The Department pays for the first valuation. Herd owners are usually liable for a portion of subsequent valuation fees when they request appeals.

<sup>2</sup> The Department rejected the valuation in relation to 70% of the 585 first valuations rejected and 73% of the 113 second valuations rejected.

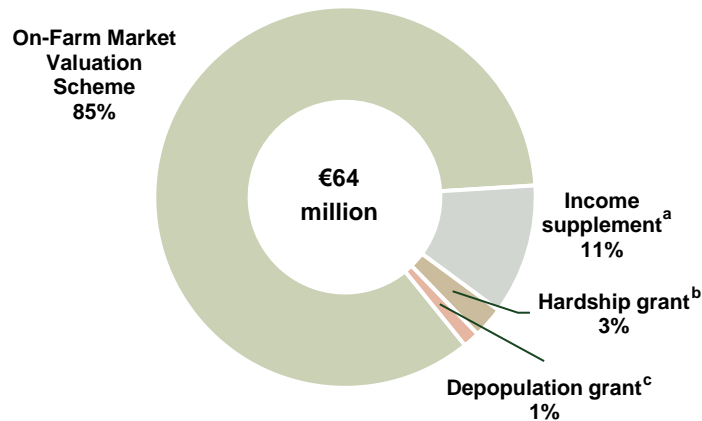
**14.35** Compensation paid by the Department may be reduced in the following circumstances

- where herd owners are responsible for delays in the removal process, compensation can be reduced in increments up to 100%
- flagrant breaches such as interference with testing, manufacture of reactors or persistent failure to maintain milk records can result in deductions ranging from 75% to 100%
- where there are technical breaches such as a herd owner's failure to comply with testing requirements, including late testing, or failures such as illegal cattle movement, deductions range from 5% to 25%.

**14.36** In 2024, the Department imposed total penalties of almost €47,000 in relation to 131 herds. In 91% of cases, the penalty imposed was 5% of the compensation grant amount, the minimum penalty.

**14.37** EU animal health law requires all EU member states to operate and maintain a bovine TB eradication programme, but any compensation arrangements are a matter for the member state. No other member state provides financial support above compensation for slaughtered reactors. New Zealand, Australia and the UK regions also do not provide such income support.

**Figure 14.6 Bovine TB eradication programme compensation programme costs 2024**



Source: Department of Agriculture, Food and the Marine. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- The income supplement scheme assists herd owners who lose 9.5% or more of cattle in a herd as a result of a single breakdown.
  - The hardship grant is aimed at assisting eligible herd owners who retain and feed cattle during prolonged periods as a result of a TB breakdown.
  - Herd owners are eligible for consideration under the depopulation grant scheme where an offer to remove the full herd or part of the herd has been made by the Department.

**14.38** The Department commissioned an independent review of the OFMV scheme in 2020.<sup>1</sup> The report contained 16 recommendations. The Department stated that 14 recommendations have been actioned and two are still under consideration by the Department. A recommendation that the OFMV be replaced with an automated tables-based assessment, grounded on standardised prices, was not considered feasible by the Department due to insufficient stakeholder agreement.

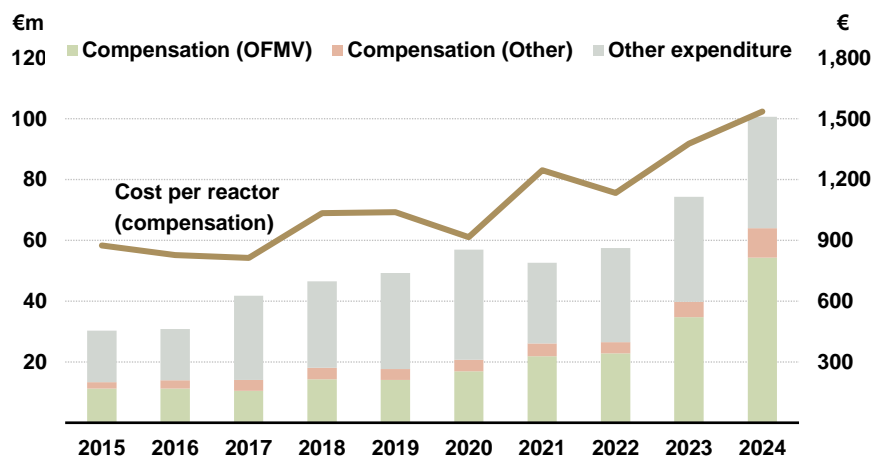
**14.39** In 2021, the Department commissioned a follow-on cost-benefit analysis of the programme.<sup>2</sup> The benefits were broadly considered to be public health, access for Irish meat to export markets and improved animal productivity and welfare. The report concluded that 22% of the value of the benefits of the programme accrued generally to citizens, while 78% of the benefits accrued to private interests (farmers/farming industry).

**Trends in the eradication programme expenditure**

**14.40** In 2024, Department expenditure on the eradication programme was just over €100 million, the highest annual amount to date (see Figure 14.7).<sup>3</sup> This was 76% more than the original estimate provision for the year. The Department’s revised estimate for 2025 provided €73.5 million for the programme, but this may be insufficient given the pattern of testing results emerging in 2025.

**14.41** The compensation cost per reactor (including OFMV, income supplement, hardship and depopulation grants) in 2024 was €1,536, an increase of 11% on 2023, and the highest compensation cost per reactor in the period under review (see Figure 14.7).

**Figure 14.7 Trends in eradication programme expenditure and compensation payments 2015 – 2024**



Source: Subhead A.4, Vote 30 Agriculture, Food and the Marine. Analysis by the Office of the Comptroller and Auditor General.

<sup>1</sup> [On-Farm Market Valuation Scheme, final report](#), Grant Thornton, August 2020.

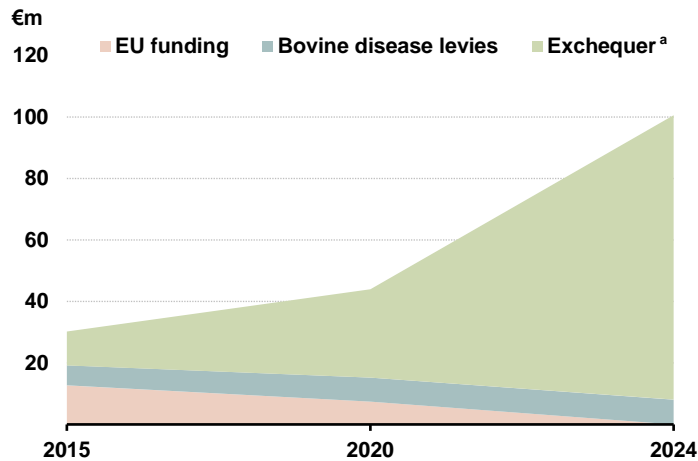
<sup>2</sup> [Bovine TB Eradication Scheme, final report, cost-benefit analysis](#), Grant Thornton, July 2021.

<sup>3</sup> The funding provided for bovine disease eradication relates to bovine TB and brucellosis. In addition to the direct disease eradication programme expenditure, the Department estimates there are staff and administration costs related to the programme of just over €34 million for 2024.

## Programme funding

**14.42** The eradication programme has been funded by the Exchequer, the EU and a bovine disease levy paid by farmers.<sup>1</sup> The EU provided 42% of the funding for the eradication programme in 2015 but this has since fallen to zero (see Figure 14.8). The Exchequer now provides almost all of the funding, rising from a 36% share of the programme costs in 2015 to 92% in 2024.

**Figure 14.8 Funding of bovine TB eradication programme, 2015 – 2024**



Source: Department of Agriculture, Food and the Marine. Analysis by the Office of the Comptroller and Auditor General.

Note: a Exchequer funding is expenditure as per the appropriation account net of the farmer contributions received. It excludes Department staff and administration costs.

**14.43** In addition to the costs incurred by the Department, farmers incur costs relating to TB eradication such as fees for the annual TB test; costs associated with housing and feeding herds that are restricted; the cost of biosecurity measures; and labour costs. For 2024, the Irish Farmers Association estimates the total cost to farmers, inclusive of testing, to be almost €152 million.<sup>2</sup>

### **Bovine disease levies**

<sup>1</sup> Bovine disease levies were introduced in 1979 to provide a farmer contribution towards the cost of eradicating bovine TB and brucellosis.

<sup>2</sup> [Analyses of TB programme costs to farmers](#), Irish Farm Accounts Co-Operative, May 2025.

<sup>3</sup> The levies are collected under the Bovine Disease Levies Acts 1979 and 1996.

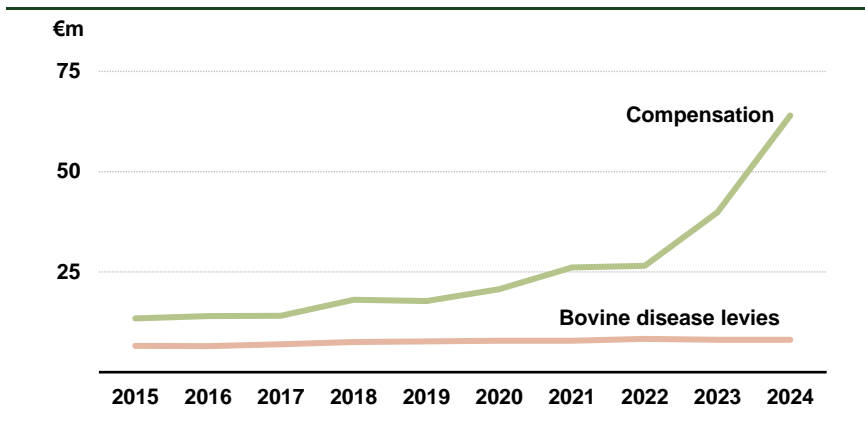
**14.44** The bovine disease levy system operates in respect of milk deliveries and cattle slaughtered or exported.<sup>3</sup> The current rate of the levies, which are unchanged since 1 January 2007, are

- €1.27 per bovine animal slaughtered or exported live
- €0.0006 per litre of milk received for processing.

**14.45** Levy receipts have been relatively constant since 2015 (see Figure 14.9). In 2024, the levy receipts totalled €8.1 million — €5.1 million relating to milk and €3 million for cattle slaughtered or exported. The levies are paid by slaughter plants, export operators and creamery processing plants, who are entitled to recoup the money from farmers.

**14.46** In 1995, the Department and farming organisations agreed that disease levies would provide 50% of the cost of compensation. The levies paid by farmers substantially achieved this level in the period 2015 to 2017. However, from 2018, the levy percentage contribution to the cost of compensation has been on a significant downward trend. Levies paid in 2024 represented only 13% of the compensation paid in 2024.

**Figure 14.9 Bovine disease levy receipts and compensation payments 2015 – 2024**



Source: Department of Agriculture, Food and the Marine

*EU funding*

1 Member states that can demonstrate that at least 99.8% of herds are free from bovine TB, representing 99.9% of animals, and that the annual incidence of infection does not exceed 0.1% of herds for three consecutive years are awarded disease-free status.

2 [The EU One Health 2023 Zoonoses Report](#), European Food Safety Authority and European Centre for Disease Prevention and Control, November 2024.

3 Parliamentary question E-10-2025-000135 from members of the European Parliament.

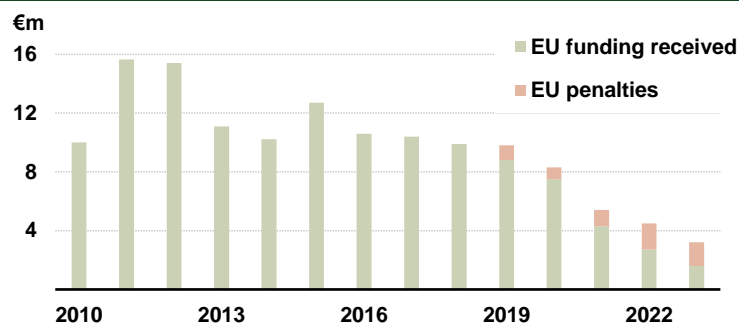
4 On 13 December 2019, the Department wrote to the EU, expressing its view that a broader and deeper evaluation of Ireland’s programme would be more appropriate than the review being restricted to the high-level figures of herd prevalence and herd incidence on the basis that these are not sufficient to measure the totality of the effectiveness of the programme.

**14.47** In 2023, Ireland had the highest herd prevalence rate of bovine TB in the EU at 4.8%. Only Ireland and Spain had a prevalence higher than 1%, and 17 member states had achieved official disease-free status. A further three member states have achieved disease-free status in parts of their territory.<sup>1,2</sup>

**14.48** The EU’s current Single Market Programme on food runs from 2021 – 2027. It contributes to the prevention, control and eradication of certain animal diseases, including the eradication of bovine TB. Bovine TB was not included as a funding area of the 2023 and 2024 programme of EU financial support. The EU Commission has stated that due to other animal disease priorities, funding is not envisaged for the years 2025 to 2027.<sup>3</sup>

**14.49** EU co-funding for bovine TB eradication began in 2009. In total, Ireland received approximately €131 million, after deduction of penalties (see Figure 14.10). Over the period 2019 – 2022, the EU imposed total penalties of €6.3 million on Ireland due to missed programme targets, rising incidence rates and no obvious progress in the eradication of the disease (in the three years from 2017 to 2019). In the period 2018 – 2022, Ireland missed targets set by the EU each year, ranging in magnitude from 10% to 53%.<sup>4</sup>

**Figure 14.10 EU funding bovine TB eradication programme 2010 – 2023<sup>a</sup>**



Source: Department of Agriculture, Food and the Marine. Analysis by the Office of the Comptroller and Auditor General.

Note: a EU funding is paid one year in arrears.

**14.50** The European Commission conducted an audit of Ireland's status in relation to the eradication of bovine TB in March and April 2025. The objective of the audit was to evaluate the progress of the eradication programme. The final audit report was published in September 2025 and includes a number of conclusions.<sup>1</sup>

- The search for consensus with key stakeholders, through the TB forum, has delayed the Department in implementing effective correction actions to respond to the progressive increase in disease levels since 2022.
- The approach to addressing TB is the same in all counties, with no regionalisation.<sup>2</sup>
- Financial compensation arrangements do not incentivise herd owners to follow disease prevention actions recommended by the Department. In addition, there are no financial disincentives for behaviours associated with increased TB risk.

**14.51** The audit made three recommendations focused on: the role of the TB forum as a consultative forum; changes to align current movement restrictions with EU animal health law; and the alignment of financial arrangements and biosecurity.

### International cooperation

**14.52** The Department does not engage in any working groups on bovine TB eradication at EU or international level. The Department does participate in international conferences, such as a conference on bovine TB hosted by the Department and University College Dublin in 2022.

**14.53** The Department has stated that some significant factors that contribute to bovine TB in Ireland are not present in other EU countries. These include

- high herd density
- high levels of farm fragmentation
- a reservoir of disease present in wildlife.

The Department considers that this limits the scope for broad international cooperation.

<sup>1</sup> Final report of an audit of Ireland, [European Commission, DG \(SANTE\) CT-2025-0206](#).

<sup>2</sup> The introduction of a regional approach was recommended by the TB forum's scientific working group in September 2023.

**14.54** The Department is part of two separate working groups with Great Britain and with Northern Ireland. Both jurisdictions share similarities with Ireland in relation to badger populations with TB, a high level of cattle movements and farm fragmentation. Notably, Scotland has achieved and maintained tuberculosis-free status since 2009 (as defined under EU legislation). Otherwise, the incidence rates for 2024 in the UK regions were higher than in Ireland. The reported 2024 herd incidence rates were

- Scotland — 0.6%
- England — 7.7%
- Wales — 6.8%
- Northern Ireland — 10.7%.

However, the methodologies used to calculate the herd incidence rate are somewhat different.<sup>1,2</sup>

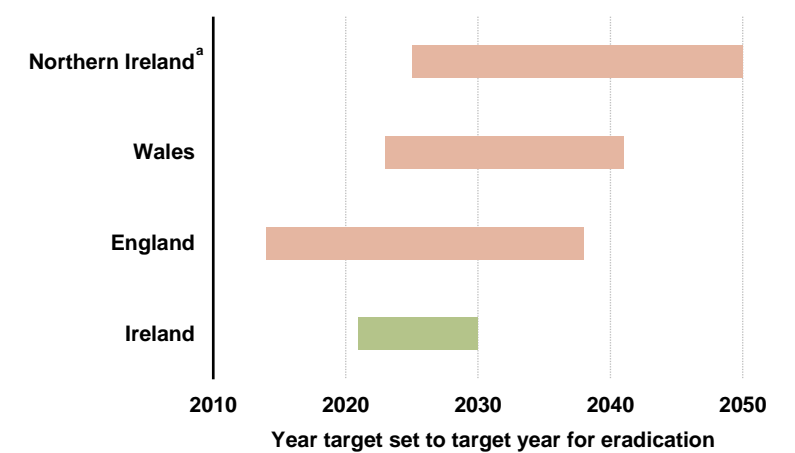
**Eradication targets**

**14.55** A comparative review of targets for the eradication of bovine TB across Ireland, Northern Ireland, England and Wales indicates that Ireland’s published target of 2030 is the most ambitious (see Figure 14.11).

**14.56** Northern Ireland’s current target for eradication of bovine TB is 2050. The approach to control of TB in wildlife is different to that of the Department. Badger culling is prohibited in Northern Ireland, and a badger vaccination programme is not part of the approach there.

**14.57** The North-South bovine TB eradication forum was established to cooperate on issues of mutual concern to Ireland and Northern Ireland. The feasibility of an all-island bovine TB pilot project is currently under consideration.

**Figure 14.11 Eradication targets and programme durations, UK and Ireland**



Source: Bovine TB eradication strategy 2021 – 2030, January 2021; Bovine tuberculosis eradication strategy for Northern Ireland, March 2022 and Bovine Tuberculosis in Northern Ireland, Blueprint for Eradication April 2025; Bovine TB eradication programme delivery plan 2023 – 2028, Wales, March 2023; A strategy for achieving officially bovine tuberculosis free status for England, April 2014. Analysis by Office of the Comptroller and Auditor General.

Note: a Northern Ireland’s target for eradication is a 2% reduction by 2030, a 50% reduction by 2040, with full eradication by 2050.

1 The herd incidence rate in Great Britain is the number of new herd incidents per 100 herd years at risk over the time period. A herd is considered "at risk" for the length of time since its last negative herd test or since the end of its last breakdown

2 The rate for Northern Ireland is calculated as the number of new reactor herds as a proportion of all herds that presented for a herd test over a specified time. A single herd with multiple tests is counted only once.

### Risk-based trading

- 14.58** Risk-based trading is intended to help herd owners to make informed decisions when buying or selling cattle, based on the level of TB risk in the herd that the cattle are coming from. Within a system of risk-based trading, each herd is TB risk-rated.
- 14.59** Risk-based trading initiatives can assist in the reduction of cattle movement from herds and/or areas of higher risk. It gives herd owners access to information so that they can make informed purchasing choices. It also incentivises good biosecurity and can interrupt transmission pathways by reducing the number of cattle with TB being transferred into TB-free herds.
- 14.60** A system of risk-based trading does not currently operate in Ireland. The Department has a herd TB-status categorisation system and encourages herd owners to be transparent when trading in relation to their herd's category. However, providing this information to potential buyers is not mandatory.

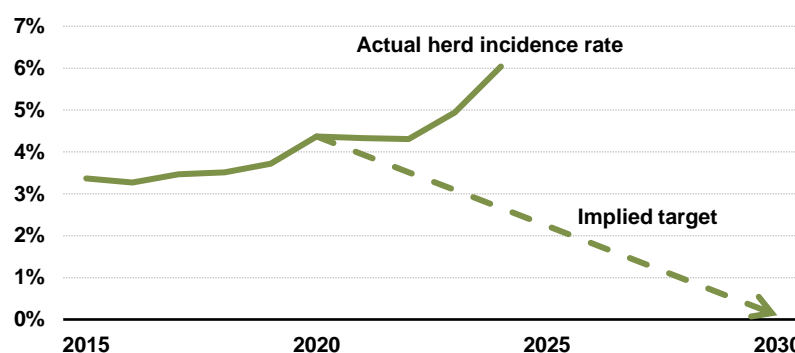
### Risk mitigation plans

- 14.61** Risk mitigation plans are required under animal health law and must be in place prior to the authorisation of movement of cattle into a high-risk holding. Biosecurity measures are included in the plan. Currently, these plans are paper-based and so the number of plans in place is not available from the Department. The Department does not conduct checks on compliance with risk mitigation plans by herd owners. The Department stated that procedures regarding checks on compliance and consequences for non-compliance with risk mitigation plans are currently at an advanced stage of development.

### Evaluation of effectiveness of the strategy

- 14.62** The current bovine TB eradication strategy for the period 2021 – 2030 sets out a number of actions capable of leading to reductions in disease levels. The strategy does not contain timelines for implementation of actions or interim targets to assess progress. The strategy notes that regular monitoring and evaluation of policies will form part of the strategy but does not address what this entails.
- 14.63** The Department reports formally on bovine TB disease incidence to the Minister for Agriculture, Food and the Marine on a monthly basis. Updates are published quarterly on the Department's website.
- 14.64** The Department has projected that the herd incidence rate will reach approximately 6.5% by the end of 2025 and reactor numbers for the year will be over 50,000. Based on the current disease trajectories, the Department stated that it accepts that eradication by 2030 is not achievable (see Figure 14.12).<sup>1</sup>

<sup>1</sup> The target rates are estimated by the examination team based on the assumption of a linear trend over the period.

**Figure 14.12 Herd incidence rates to 2024 compared to the 2030 target set in 2021<sup>a</sup>**

Source: Department of Agriculture, Food and the Marine. Analysis by the Office of the Comptroller and Auditor General.

Note: a 2030 target for eradication based on criterion of incidence rate < 0.1%, as defined in EU legislation.

**14.65** The Irish Government Economic and Evaluation Service conducted a spending review of the bovine TB eradication programme in 2019.<sup>1</sup> The review noted that if the current approach continued, the programme would not eradicate bovine TB for another 60 to 70 years. Since then, the incidence rate has substantially increased.

### ***Performance measurement***

**14.66** Performance information is the means by which an organisation can be assessed in terms of how well it is performing against its aims and objectives. It helps to ensure that there is effective planning, monitoring and evaluation of performance as well as external accountability.

**14.67** Certain objectives and actions for the bovine TB eradication programmes have been set out in the current strategy. However, there does not appear to be a clear and comprehensive performance measurement framework, including an appropriate range of key performance indicators and targets. This would facilitate assessment of whether intended outcomes are being achieved.

**14.68** Setting targets in relation to performance metrics would assist in measuring progress and facilitating timely modification to the strategy as necessary. Example of such metrics include

- the target number of annual badger vaccinations
- the number of risk mitigation plans verified as in compliance by the Department
- average time in days from identification of a test reactor to movement restrictions and culling.

**14.69** The annual estimate for the Vote, which funds the bovine TB eradication programme, includes one high-level, activity-focused target — number of TB tests on cattle to be carried out. The link between this metric and the effectiveness of the eradication programme is not clear. While testing is a cornerstone of the programme, high levels of testing do not necessarily correlate with the achievement of eradication.

<sup>1</sup> [Spending Review 2019, Animal Health: TB Eradication](#), Irish Government Economic and Evaluation Service, October 2019.

**14.70** Two metrics used by the Department are of particular importance to herd owners.

- The Department has committed to making all compensation payments within three weeks from date of receipt of all necessary documents. In quarter one of 2025, 85% of payments were made within three weeks.
- Delays in the collection of reactors from farms increases the risk of transmission of disease to other animals. Herd owners also incur costs in relation to segregation and cattle maintenance when the removal of reactors is delayed. The Department does not have a target removal time, other than the 30 days provided for in legislation.<sup>1</sup> In 2024, the national average reactor removal time for 2024 was 18.3 days. The number of reactor animals that were collected after 30 days was 2,773 (6.7% of all reactors collected). The Department stated that there can be instances of unforeseen circumstances at individual farm level where reactors cannot be removed within 30 days.

### ***Emerging strategies and research***

**14.71** The Centre for Veterinary Epidemiology and Risk Analysis (CVERA) is Ireland's resource for veterinary epidemiology, based in University College Dublin.<sup>2</sup> CVERA provides independent, scientific and data-driven advice to support animal health policy and disease control efforts in Ireland. The use of strategic research and development forms part of the current strategy.

**14.72** Genomic sequencing can provide information on sources of infection. Information on whether the source of an outbreak is a recurrence of infection or a newly introduced infection can enable more targeted control measures. Genomic sequencing is used routinely in England's bovine TB eradication programme and in the understanding of persistent bovine TB hotspots in Wales. Northern Ireland has incorporated it into its current strategy. Currently, while CVERA is conducting research in the area of genomic sequencing and has initiated a pilot project, it is not routinely used in the Irish programme.

<sup>1</sup> [S.I. No. 58/2015 — Animal Health and Welfare \(Bovine Tuberculosis\) Regulations 2015](#).

<sup>2</sup> CVERA was originally established in 1989 as the bovine TB investigation unit, allowing eradication efforts to move from operational to scientifically informed. Department staff also work at the Centre.

## Conclusions and recommendations

- 14.73** Ireland has had a long-standing bovine TB eradication programme in place. The impact of the programme has protected access to international markets for Irish beef and dairy and has safeguarded public health. Unfortunately, since 2017, disease rates have been rising. The herd incidence rate of TB detection for 2024 was just over 6%, the highest rate in 21 years.
- 14.74** Ireland has the highest rate of bovine TB in the EU. Over the period 2019 – 2022, the EU imposed penalties of €6.3 million on Ireland resulting from a combination of missed targets, rising incidence rates and no obvious progress in the eradication of the disease in the three years from 2017 to 2019. EU co-funding of Ireland's eradication programme ceased in 2023. That funding has been replaced by increased Exchequer funding.
- 14.75** In 2024, direct expenditure by the Department on the programme was just over €100 million. This represented a 35% increase on expenditure in 2023.
- 14.76** Compensation paid to herd owners in 2024 accounted for 64% of total programme expenditure. In 1995, the Department and farming organisations agreed that disease levies were to provide half of the cost of compensation. When the disease incidence rate was at its lowest in the period 2015 – 2017, that contribution rate was broadly being achieved. However, in 2024, levy receipts accounted for just 13% of compensation payments.
- 14.77** In September 2025, the European Commission published its audit report of Ireland's status in relation to the eradication of bovine TB. The audit report contained a number of recommendations, which included the alignment of financial arrangements with biosecurity. One of the report's conclusions was that the Department was delayed in implementing effective correction actions in relation to TB due to the search for stakeholder consensus.

### *The bovine TB eradication strategy*

- 14.78** Ireland's current target for the eradication of bovine TB is 2030. While the strategy for the eradication programme for the period 2021 – 2030 sets out a number of actions capable of leading to reductions in disease levels, the strategy does not contain timelines for implementation or interim targets to allow progress to be assessed.

### *Target for eradication*

- 14.79** Great Britain and Northern Ireland share key similarities with Ireland in relation to the agricultural sector and wildlife. In comparison with England, Wales and Northern Ireland, Ireland's target for eradication of 2030 is the most ambitious.
- 14.80** Ireland's current published target for eradication is 2030. However, the Department has acknowledged that this target is not achievable based on the current disease trajectory.

**Recommendation 14.1**

The Department should review the target for eradication in order to ensure it remains appropriate and realistic. A revised long-term timeline for eradication should include related short to medium-term intermediate targets.

**Accounting Officer's response**

Agreed.

The *Programme for Government* commits to review and update the *National TB 2030 Eradication Strategy*.

The Minister published an action plan to address the current high levels of bovine TB on 9 September 2025. The action plan includes five measures and 30 actions. The measures are designed to

- support herds that are free of bovine TB to remain free
- reduce the impact of wildlife on the spread of bovine TB
- detect and eliminate bovine TB infection as early as possible in herds with a bovine TB breakdown and avoid a future breakdown
- help farmers to improve all areas of on-farm biosecurity
- reduce the impact of known high-risk animals in spreading bovine TB.

As part of the ongoing implementation of the action plan, key targets to deliver the eradication of bovine TB will be developed.

**Timeline for Implementation**

Q1 2026.

**Performance measurement**

**14.81** The Department has systems in place which are capable of providing detailed data, and weekly reports are generated for monitoring purposes, which include a range of measures at a regional level. However, a more robust and comprehensive performance measurement framework is required, which would allow the Department to assess the effectiveness of the eradication programme.

**14.82** The annual estimate for the Vote includes just one high-level output target in relation to the programme. When incidence rates are rising rapidly, a greater focus on key performance indicators is especially important to facilitate timely changes in areas that require attention.

**Recommendation 14.2**

The Department should consider designing a comprehensive set of performance measures, which are achievable and relevant to the strategic aims of the bovine TB eradication programme.

**Accounting Officer's response**

Agreed.

The Department agrees with performance measures in principle. As part of the *Programme for Government* commitment to a review and update the *National TB 2030 Eradication Strategy*, the Department will examine the feasibility of incorporating performance measures into the bovine TB eradication programme.

**Timeline for Implementation**

Q1 2026.

**Biosecurity measures**

- 14.83** The Department strongly encourages herd owners to have robust biosecurity measures in place, which have the potential to reduce the spread of disease from wildlife to cattle and cattle to cattle. Risk mitigation plans are required under animal health law prior to the authorisation of movement of cattle into or out of high-risk holdings and include biosecurity measures deemed necessary by a departmental veterinary inspector. The Department does not link the lack of effective biosecurity measures to compensation.
- 14.84** The Department offers a programme which aims to provide targeted advice to herd owners regarding TB biosecurity. The programme is currently offered to those herd owners that have experienced a TB breakdown or that have a high-risk herd. The participation rate for 2024 was only 36% of those invited in relation to high-risk herds.

**Recommendation 14.3**

The Department should consider adopting measures such as aligning the payment of compensation to effective biosecurity measures.

**Accounting Officer's response**

Agreed.

The Department provides free veterinary advice on farm biosecurity and TB knowledge for farmers affected by a bovine TB breakdown. A new biosecurity TASA was launched in 2025 which will facilitate 30,000 visits across a range of farm enterprises and biosecurity challenges including a specific bovine TB TASA. The Department will align compliance with risk mitigation plans and compensation in the event of future breakdowns.

**Timeline for Implementation**

Q2 2026.

### **Collection of reactors**

- 14.85** The Department is responsible for the collection of TB reactors from farms. This is done by authorised hauliers once the relevant regional veterinary office has made the required removal arrangements. Legislation requires the removal of reactors to slaughter within a maximum of 30 days. The Department does not have a target for the removal of reactors, other than the 30 days provided in legislation. In 2024, the average removal time of reactor cattle to slaughter was 18.3 days. Overall, 6.7% of reactors were collected after 30 days, exceeding the statutory target time.
- 14.86** Delays in the collection of reactors from farms increases the risk of transmission of disease to other animals. In addition, herd owners incur costs in relation to segregation and cattle maintenance.

### **Recommendation 14.4**

The Department should ensure that it is in full compliance with the minimum requirements specified in SI 58/2015 relating to the removal of reactors. The Department should consider setting a target time for reactor removals that is capable of driving improved performance.

#### **Accounting Officer's response**

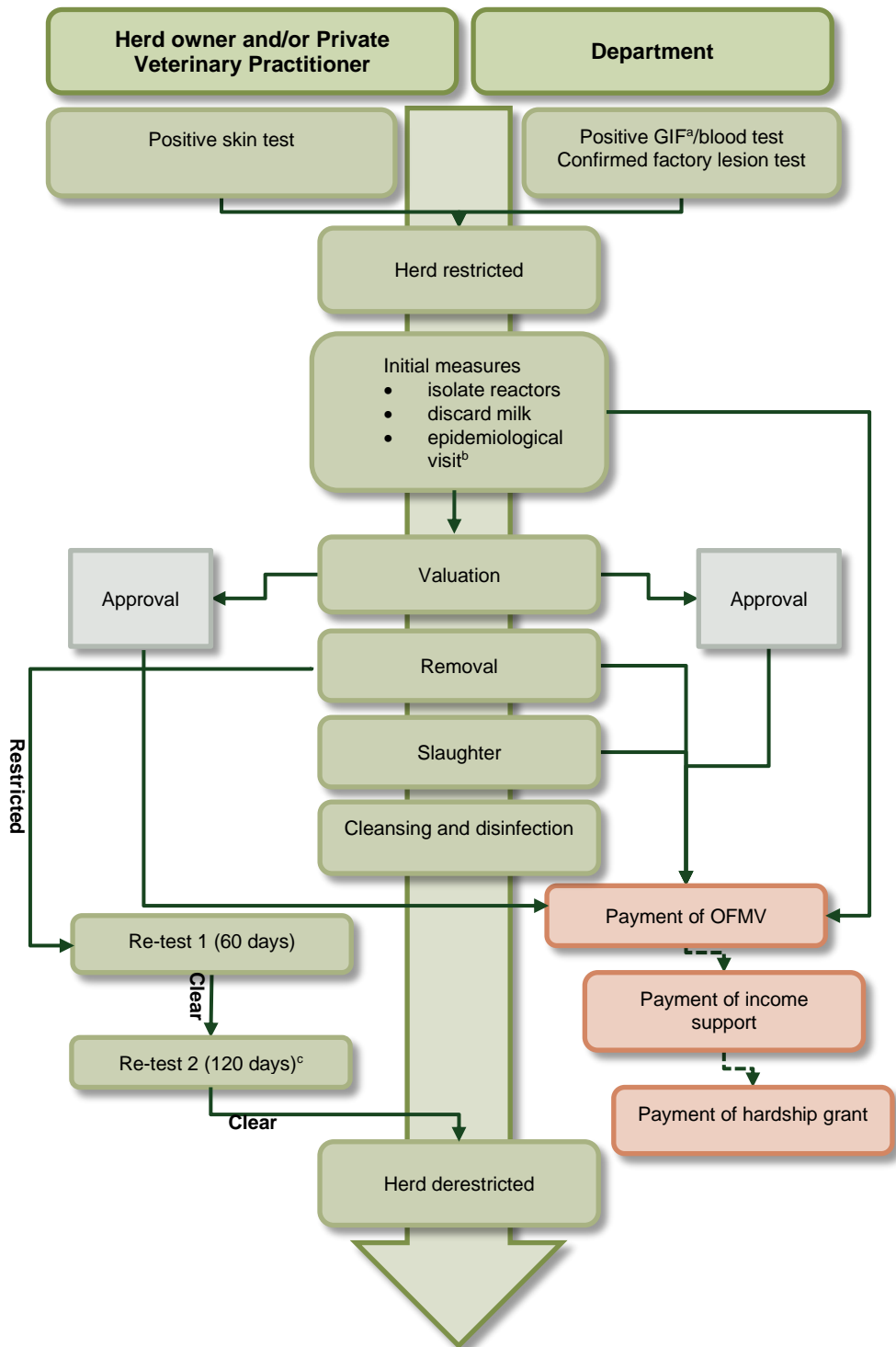
Agreed.

The Department will set target timelines for the removal of reactors.

#### **Timeline for Implementation**

Q1 2026.

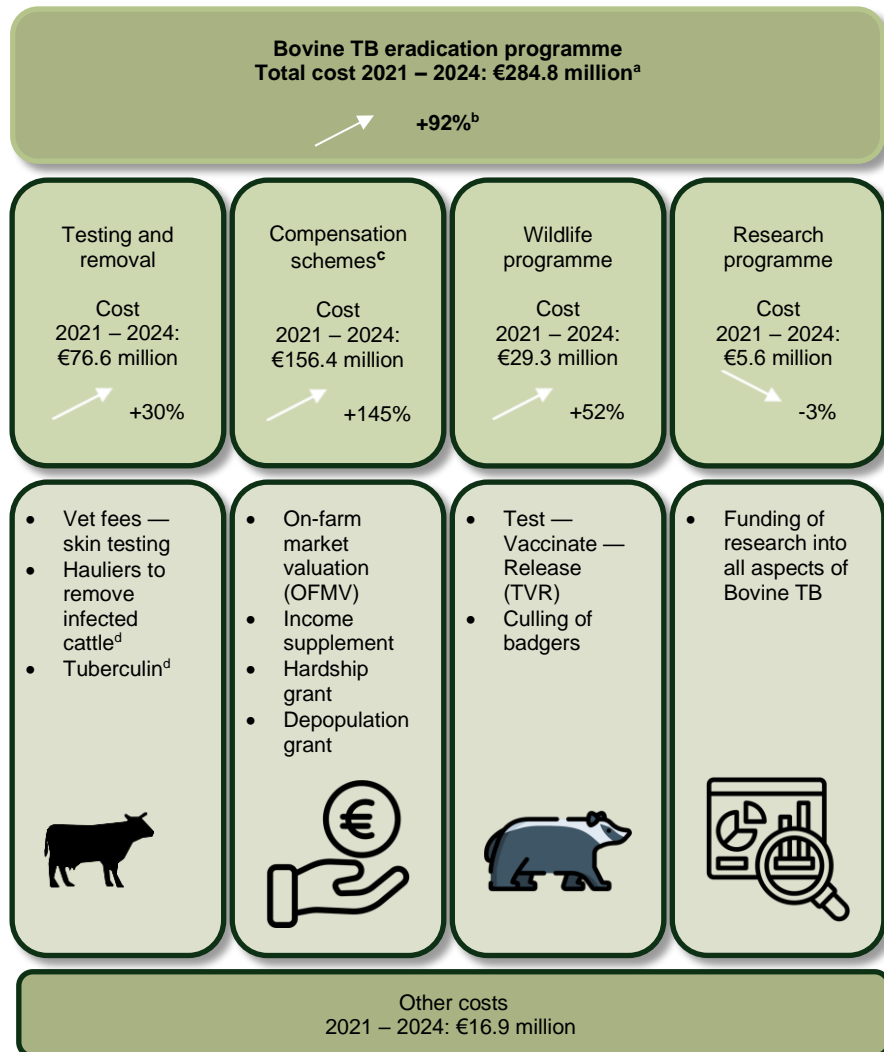
**Annex 14A Bovine TB breakdown — overview of system**



Source: Department of Agriculture, Food and the Marine. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a A gamma interferon test (GIF) is a blood test to detect bovine TB infection and is carried out in a laboratory.
  - b A standard epidemiological visit is carried out when three or more reactors are discovered. The visit will identify possible sources of infection, request blood tests if required and propose appropriate disease control and biosecurity measures.
  - c Reactors detected during a re-test result in a further two re-tests.

### Annex 14B Bovine TB eradication programme — expenditure by objective



Source: Department of Agriculture, Food and the Marine. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a Costs incurred by the Department in financing the programme over the period 2021 – 2024, including costs covered by farmers' levies (€31.3 million for 2021 – 2024) but excluding direct costs incurred by farmers, such as testing, and staff and administrative costs incurred by the Department.
  - b Percentage changes refer to overall changes in expenditure in 2024 compared to 2021.
  - c *TB Compensation Arrangements, information booklet for herd owners*, July 2024 sets out ceilings that apply per animal type, inclusive of factory salvage price payable to the herd owner. Compensation ceilings were revised by the Department in March 2023 and new animal categories were added.
  - d Prior to 2024, expenditure on hauliers and tuberculin was included in other costs.

### Annex 14C Bovine TB eradication programme — skin testing

**Day 1:** Two sites are clipped on the neck of the animal. The skin thicknesses at both sites are measured and recorded. Two types of tuberculin are injected, a small amount of bovine tuberculin in one area and avian tuberculin in the other.



**Day 2:** Three days later, the skin reactions to the two types of tuberculin are measured and compared. When the bovine site reaction exceeds the avian site reaction by more than 4 mm, the animal is declared a reactor under standard interpretation. When the bovine site reaction measures 1 – 4 mm more than the avian site reaction, the animal is declared an inconclusive under standard interpretation. The pictures below show a negative test that was observed by the examination team.



Source: Office of the Comptroller and Auditor General



## 15 Housing schemes — funding and delivery

- 15.1** In September 2021, the Government launched *Housing for All — a New Housing Plan for Ireland (Housing for All)*.<sup>1</sup> The plan set out the overall objective that everyone in the State should have access to a home to purchase or rent at an affordable price, built to a high standard and in the right place, and offering a high quality of life.
- 15.2** *Housing for All* indicated a commitment to invest over €20 billion in housing between 2021 and 2025, with a target to deliver over 300,000 new homes by 2030.<sup>2</sup> The funding is being provided from the Exchequer, the Land Development Agency (LDA) and the Housing Finance Agency (HFA).
- 15.3** This examination was undertaken to
- determine the main sources and level of State funding made available for the provision and delivery of housing in 2024
  - identify the main funding flows between the Department of Housing, Local Government and Heritage (the Department) and housing providers in Ireland
  - establish what information the Department has in relation to the costs and delivery of social and affordable housing projects in receipt of State funding, and whether it is reliable and appropriate
  - report, on a case study basis, on the performance of several social and affordable new-build housing projects completed in the last five years.
- 15.4** The examination team reviewed documentation and engaged with relevant staff in the Department, the Housing Agency, the LDA, local authorities and approved housing bodies (AHBs). The team also conducted onsite fieldwork of six projects linked to five local authorities — Dún Laoghaire-Rathdown, Cork City, Fingal, Galway City and Waterford.

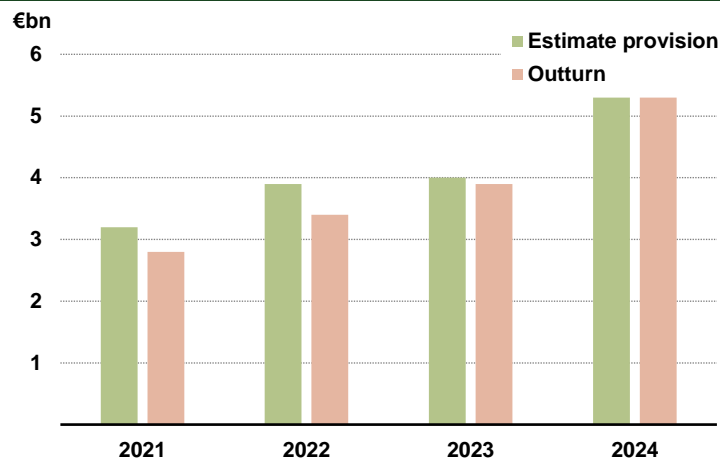
### Profile of departmental expenditure on housing

- 15.5** The Department is tasked with supporting the planning and building of housing in Ireland. The Department's accounts show that vote-funded expenditure on housing almost doubled between 2021 and 2024 (see Figure 15.1).
- 15.6** In addition to vote-funded expenditure of €5.3 billion, €151 million was spent from local property tax allocation in 2024, bringing total expenditure on the Department's housing programme to almost €5.5 billion for the year. Capital expenditure accounted for 68% of this spending.

<sup>1</sup> [Housing for All — a New Housing Plan for Ireland](#). Department of Housing, Local Government and Heritage, September 2021.

<sup>2</sup> The target for 2025 – 2030 was revised upwards in November 2024 to 303,000 new homes.

**Figure 15.1 Department’s vote-funded expenditure on housing, 2021 – 2024<sup>a</sup>**



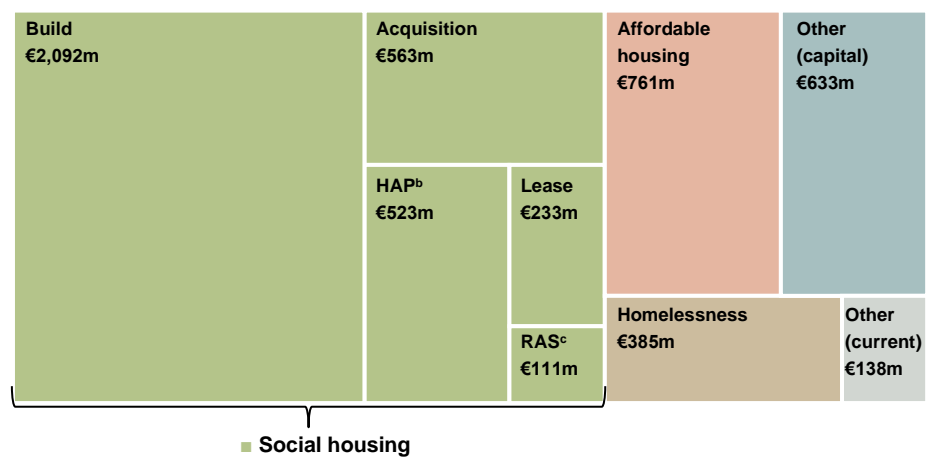
Source: Department of Housing, Local Government and Heritage; Vote 34 appropriation accounts 2021 – 2024

Note: a Vote-funded expenditure excludes annual spending from local property tax allocations.

**15.7** The Department categorises its housing expenditure under five main delivery streams — social, affordable, homelessness, other capital programmes and other current programmes (see Figure 15.2). Expenditure on the delivery streams is spread across several subheads in the Department’s appropriation account.

**15.8** The main expenditure items in each stream are the various housing schemes administered by or on behalf of the Department. There were 11 funding schemes contributing to the delivery of social and affordable housing in 2024.<sup>1</sup> In addition, capital expenditure on the delivery of social housing is supported with current funding through the Social Housing Current Expenditure Programme (SHCEP).

**Figure 15.2 Expenditure by housing delivery stream, 2024<sup>a</sup>**



Source: Department of Housing, Local Government and Heritage

Notes: a Includes €151 million in local property tax allocation. Excludes pay and non-pay administration expenditure (subheads A.1 and A.2).

b Housing assistance payments.

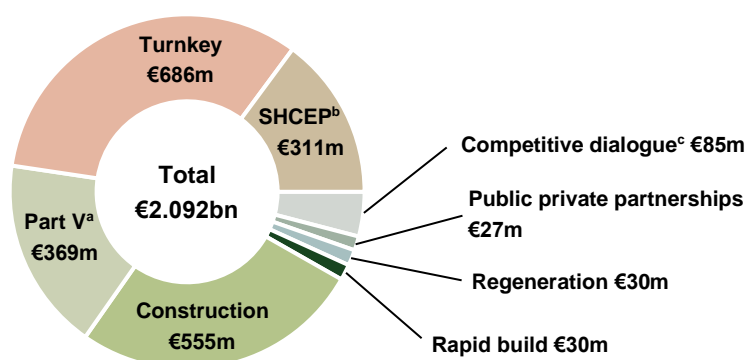
c Rental accommodation scheme.

<sup>1</sup> Funding schemes can include different delivery mechanisms (e.g. acquisition, construction).

### Social housing

- 15.9** The Department defines social housing as the provision by Government of housing support for vulnerable individuals and those unable to provide for their accommodation needs from within their own resources.
- 15.10** In 2024, €3.5 billion (64%) — including €137.4 million in local property tax allocation — was spent on social housing delivery.
- 15.11** Social housing build expenditure of €2.092 billion comprised the cost of delivering new-build units through local authorities, AHBs and public-private partnerships (see Figure 15.3).
- 15.12** Acquisition expenditure of €563 million related to the purchase of second-hand homes for social housing purposes. Local authority acquisitions accounted for 81% of spending under this category.

**Figure 15.3 Breakdown of build expenditure for social housing, 2024**



Source: Department of Housing, Local Government and Heritage. Analysis by the Office of the Comptroller and Auditor General. Any apparent differences in totals are due to rounding.

- Notes:
- a Part V of the Planning and Development Acts 2000 – 2024 provides for local authorities to acquire up to 20% of land zoned for housing development at existing use value to facilitate the delivery of social and affordable housing. While the primary way to satisfy Part V is the transfer of land to local authorities, the Acts also set out alternative options that include the transfer of housing on the site granted planning permission; the transfer of housing on another site; the leasing of housing on-site or off-site; or any combination of these options.
  - b Capital expenditure on the delivery of new-build social housing under the Capital Advance Leasing Facility is supported by current funding provided through the SHCEP.
  - c Competitive dialogue is a procurement mechanism that allows local authorities to discuss with tenderers before deciding on a housing delivery solution.

### Affordable housing

**15.13** Affordable housing is generally considered as accommodation where a person/ household is spending less than 35% of their income on rent or mortgage payments. In 2024, affordable housing was the second-biggest delivery stream in terms of spending and accounted for 14% of total expenditure on the Department’s housing programme. The expenditure was incurred under six housing schemes.

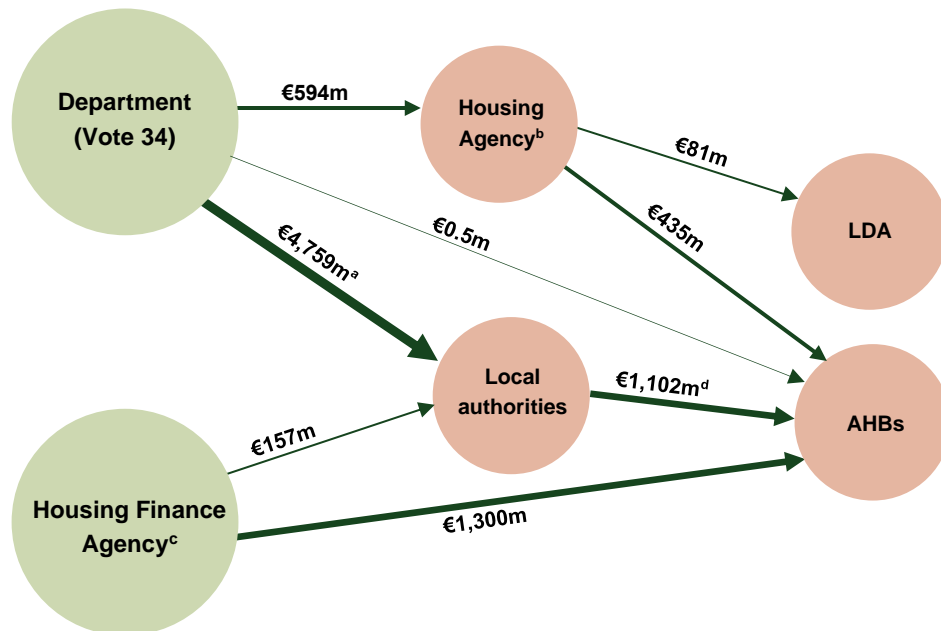
- Cost Rental Tenant-in-Situ (CRTIS)
- Cost Rental Equity Loan (CREL)
- Secure Tenancy Affordable Rental (STAR)
- Affordable Housing Fund
- Croí Cónaithe (Towns)
- First Home Scheme

**15.14** Three of the schemes — CREL, CRTIS and STAR — are managed by the Housing Agency on behalf of the Department.

### Housing funding flows

**15.15** The main recipients of Department funding to support the provision and delivery of housing in Ireland are local authorities, AHBs, the LDA and the Housing Agency (see Figure 15.4).

**Figure 15.4** Flows of funding from the Department and the HFA to bodies responsible for housing delivery in 2024



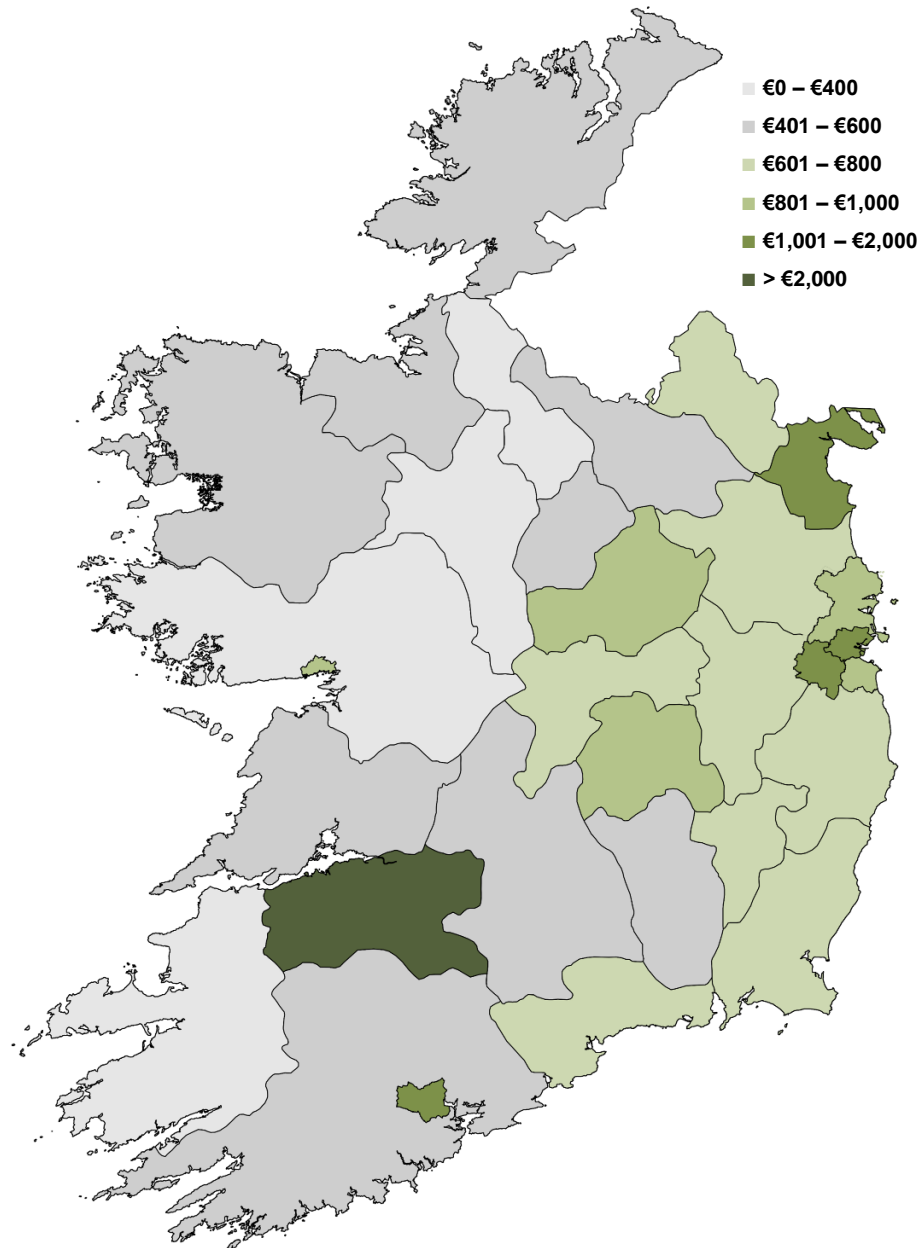
Source: Department of Housing, Local Government and Heritage. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a Includes funding of €151 million from the local property tax allocation that local authorities above the baseline are required to spend on housing in lieu of Exchequer funding.
  - b Most of the €594 million received by the Housing Agency related to schemes it administers on behalf of the Department. This included €50 million paid in respect of the CRTIS scheme under which the Housing Agency acquires homes it then maintains as secured tenancies for existing tenants.
  - c Funding from the HFA corresponds to gross lending amounts for 2024.
  - d Estimate by the Department based on funding provided to the local authorities under the main AHB-related schemes.

**Local authorities**

**15.16** In 2024, the Department provided just under €4.8 billion to local authorities under its housing programme. This included €151 million provided by ten local authorities from local property tax receipts. The funding relates to a broad range of housing programmes, including the delivery of social and affordable housing. Figure 15.5 shows the geographical distribution of this direct funding to local authorities, per capita by local authority for the year.

**Figure 15.5 Department funding for housing per capita by local authority, 2024**

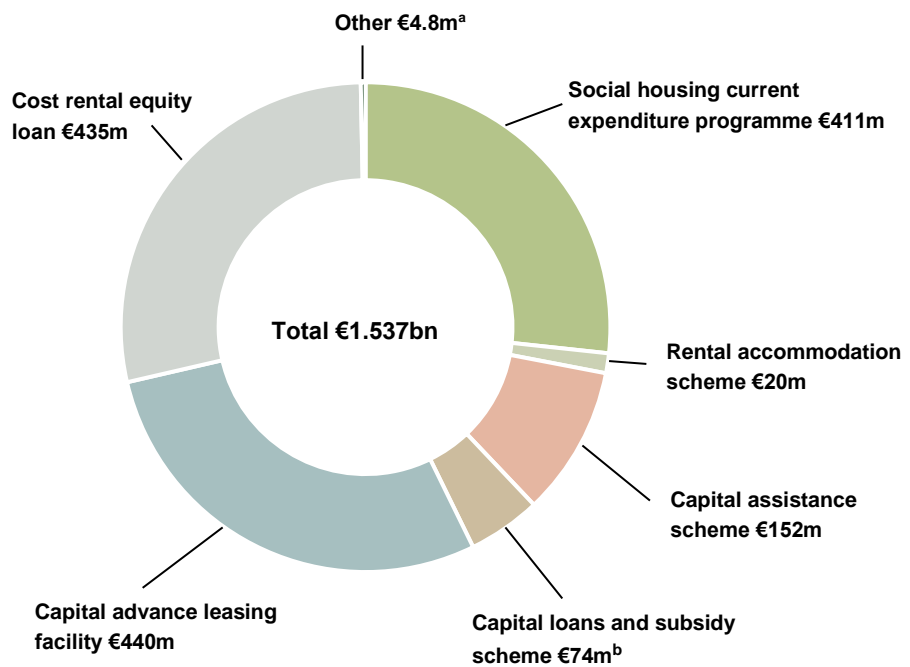


Source: Department of Housing, Local Government and Heritage. Analysis by the Office of the Comptroller and Auditor General.

**Approved housing bodies**

- 15.17** In 2024, AHBs received over €1.5 billion from the Department through the local authorities and the Housing Agency (see Figure 15.6). The funding relates to the delivery of both social and affordable housing. AHBs also received €457,000 directly from the Department in start-up grants for turnkey projects, payments to facilitate the setting up of rental agreements and expenditure incurred acquiring property under the Mortgage to Rent scheme.
  
- 15.18** In addition to departmental funding, AHBs finance capital projects by way of loans from the HFA.<sup>1</sup> Almost all — circa €1,293 million — of the HFA’s gross lending to AHBs in 2024 was to fund new housing projects or purchases. The remaining €7 million is in respect of second-hand homes.
  
- 15.19** The HFA operates as a public company limited under the aegis of the Minister for Housing, Local Government and Heritage. It is owned by the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation.
  
- 15.20** Home Building Finance Ireland operates as a private company, wholly owned by the Minister for Finance.<sup>2</sup> It provides loans to developers at market rates for commercially viable residential developments in Ireland.

**Figure 15.6 Department expenditure on AHB-related schemes in 2024**



<sup>1</sup> The HFA is not audited by the Comptroller and Auditor General.

<sup>2</sup> Home Building Finance Ireland is audited by the Comptroller and Auditor General.

Source: Department of Housing, Local Government and Heritage. Any apparent differences in totals are due to rounding.

Notes: a 'Other' includes Communal facilities (€0.5 million), the Mortgage to Rent scheme (€4.1 million) and the Repair and Leasing scheme (€0.2 million).  
 b Includes €13.5 million in local property tax allocation.

## Management information

**15.21** The Department's Social Housing and Affordable Housing Divisions are split into units that administer the different social and affordable housing schemes.

**15.22** There is no central database within the Department of all social and affordable housing capital projects delivered or being delivered under its housing programme. In 2020, the Department stated that it was working on the development of an integrated system for the management of housing-related data and schemes and that it would be an end-to-end solution from application through to completion.<sup>1</sup>

**15.23** In November 2020, the Department developed a business case for a proposed solution for the management of housing programmes. The business case noted

- there had been limited investment in technology solutions to support the delivery of housing programmes
- the difficulties in generating a single accurate picture of the current status of housing progress as
  - processes are highly manual and less efficient,
  - data and information are siloed and
  - significant time and effort is required to ensure the quality of information.

The challenges that impact the efficient and effective management of housing programmes as noted in the business case are set out in full in Annex 15A.

**15.24** In the course of this examination, the Department confirmed it is still in the process of developing an IT system to

- improve and standardise work processes
- improve data management and reporting
- ensure better information flows between the Department, local authorities and other key stakeholders involved in housing delivery.

**15.25** The Department stated that the development project is being implemented on a phased basis with a target completion date in 2028. The project has a contract cost of €10.5 million inclusive of VAT over five years, with an additional €2.3 million to be paid towards five-year post-implementation support. Phase 1 of the development — to deliver 13 existing housing acquisition processes on a new platform for Department users, local authorities, AHBs and the Housing Agency — is nearing completion and expected to go live by the end of 2025.<sup>2</sup>

**15.26** During this examination, the Department stated that each local authority operates a tracker to record its own social and affordable housing projects. The Housing Delivery Coordination Office within the Local Government Management Agency manages this reporting system and extracts data from each local authority's tracker to generate an overall report.<sup>3</sup>

<sup>1</sup> Report on the Accounts of the Public Services 2019, chapter 11, [Measuring performance for Exchequer spending on social housing](#).

<sup>2</sup> The Department stated that anticipated benefits include reduced duplication; more streamlined processes; significant time and efficiency savings; reduced manual effort; improved information quality; substantial reduction in reporting overhead; real-time visibility and ease of consistent reporting; and enhanced reporting and analysis leading to informed decision making.

<sup>3</sup> The Local Government Management Agency is an agency of the Department which provides professional services to local authorities.

- 15.27** Data recorded in relation to those projects includes *inter alia* the local authority and/or AHB involved in the project, the project's application status and construction status, and the expected and actual number of units delivered. The Department indicated that the tracker system does not hold any financial information on housing projects.
- 15.28** The Department stated that it maintains datasets at scheme level to record key information (e.g. project name, address, current status, budget, stage approval) and to track spending on each housing project. Teams also use these datasets to answer parliamentary questions and follow up on issues or queries with local authorities when required.
- 15.29** The Department provided the examination team with lists of new-build capital projects delivered over the past five years under the main social and affordable housing schemes. In addition to identifying the project lead and number of units delivered, the lists included the overall capital cost for each project.

### ***Assessing output***

- 15.30** Government departments have an ongoing obligation to demonstrate that they have used funding provided by the Oireachtas in the manner intended and to good effect. As part of the annual estimates process, targets for key activities and outputs to be delivered by the Department are set.
- 15.31** The Department is in the process of improving its systems of data management, however it produces information annually on its output relative to the targets set in the estimates process.
- 15.32** Approximately 39% of the funding to local authorities relates to capital funding provided under subhead A.3 Local authority housing. A delivery target set for this funding is the number of new-build and acquisition units to deliver through the local authority capital programme. The Department reported that the outturn for 2024 was 5,165 units, a shortfall of 10% on the target number.
- 15.33** A key performance metric for affordable housing is the total number of new cost rental and affordable purchase homes delivered. The Department has reported that it exceeded its 2024 target by 11%, with 7,125 new cost rental and affordable purchase homes delivered.
- 15.34** Several housing unit targets are also set for AHB-related schemes. The Department reported the following results for 2024
- Social Housing Current Expenditure Programme (subhead A.4) — target 6,345 units; outturn 4,750 units; a shortfall of 25%
  - Capital Assistance Scheme (subhead A.7) — target 700 units; outturn 585 units; a shortfall of 16%
  - Capital Advance Leasing Facility (subhead A.11) — target 4,215 units; outturn 3,527 units; a shortfall of 16%
  - Cost Rental Equity Loan (subhead A.28) — target 800 units; outturn 1,213 units; a surplus of 52%.

- 15.35** The Department stated that overall housing and programme-specific targets are reviewed and monitored on an ongoing basis. The Department engages with the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation where adjustments or enhancements to schemes are required to support and optimise delivery.
- 15.36** The Department reported that, as at August 2025, the social housing build pipeline included 28,042 units to be delivered over the period 2025 – 2028. This figure reflects the level of delivery expected at a point in time and is subject to frequent changes as new projects are approved and delivery dates are updated.
- 15.37** The information provided to the examination team did not include the expected total cost of delivering those social housing units. The Department stated that the multiannual nature of construction and capital spending for both social and affordable housing makes it difficult to determine a clear relationship between expenditure and output within a specified period.<sup>1</sup>

### ***Department reporting***

- 15.38** Under guidelines for central government financial reporting, the Department is required to report each year the aggregate value of capital projects involving financial commitments of €50,000 or more.<sup>2</sup> It is not clear from the appropriation account for Vote 34 Housing, Local Government and Heritage how much this commitment is each year. Separately, the Department is required to report on individual major capital projects with commitments more than €20 million.<sup>3</sup>
- 15.39** The note on major capital project commitments discloses the expected total spend by the Department and local authority over the lifetime of a project. The amount disclosed will therefore differ from total project costs for projects only partially funded by the Department. The note does not include any information on the number of units to be delivered by each project.
- 15.40** Of the six capital projects examined during the examination, only two — Poulavone, Co. Cork (€23.4 million) and Mount William, Co. Waterford (€13.7 million) — were reported on individually in the Department’s appropriation account.<sup>4</sup> One project — at Hansfield in Fingal — received funding of €31.6 million from the Department but was not listed in the commitments note. The remaining three were not listed because the Department’s commitment to the projects was less than the €10 million reporting threshold in place at the time. The value of the housing schemes in those cases was in the range €30 million to €50 million each.
- 15.41** The Department publishes a Social Housing Construction Projects Status Report on a quarterly basis.<sup>5</sup> The report provides information on the status of social housing developments, the scheme under which they are funded and the number of housing units delivered or to be delivered. It does not include information on costs or on the level of Department funding approved for each project.
- 15.42** The Department also publishes local authority housing scheme statistics to report on activity across the various funding schemes.<sup>6</sup> The statistics provide details on the number of social and affordable housing units delivered against *Housing for All* targets. They do not include any information on the cost of delivering those units.

<sup>1</sup> In January 2025, the Irish Government Economic and Evaluation Service (IGEES) published a [Review of Social Housing Delivery and Spend](#) covering the period 2017 – 2023.

<sup>2</sup> [Circular 20/2024: Requirements for Appropriation Accounts 2024](#).

<sup>3</sup> Until 2023, the threshold for major capital projects to be included in the list of commitments was €10 million. It has been increased to €20 million per project for 2024.

<sup>4</sup> Mount William appeared in the major capital project commitments in 2020, 2021 and 2022. Poulavone appeared in the major capital project commitments in the 2023 and 2024 appropriation accounts.

<sup>5</sup> The reports can be found on the Department’s [website](#).

<sup>6</sup> [Local Authority Housing Scheme Statistics](#).

## Case studies

**15.43** The examination team reviewed six capital projects as part of the examination (see Figure 15.7). The case studies were selected from lists, collated by the Department, of projects delivered under the Department's main housing funding schemes.

**15.44** The projects selected are intended to be an illustrative (rather than representative) sample of housing delivery in Ireland. Selection was made using the following criteria

- delivery status — completed or substantially completed in the past five years
- scale — at least 50 residential units
- costs — total project costs more than €10 million
- tenure type — affordable and/or social housing
- project type — new build; mix of turnkey and construction projects
- location — at least two different local authorities across different provinces
- project lead — mix of projects led by local authorities, AHBs and the LDA.

**15.45** The total project costs for each case study correspond to total costs as communicated to the Department by the project leads in their most recent/final funding application rather than the agreed final accounts for projects, except where otherwise stated.

**Figure 15.7 Case studies: summary overview**

Project name	Housing scheme	Local authority	Project lead	Number of units	Total costs €m	Department capital funding €m	Cost per bedroom €000
Green Lane, Blackpool	CALF	Cork City	Clúid	112	38.7	9.6	207
Cherrywood Town Central	CALF	Dún Laoghaire-Rathdown	Clúid	141	49.8	9.5	185
Ballybanemor Road, Ballybrit	CALF	Galway City	Respond	101	30.5	7.6	150
Poulavone, Ballincollig	SHIP	Cork City	Council	64	24.2	23.4	153
Mount William, Williamstown	SHIP	Waterford City and County	Council	65	13.7	13.7	76
Barnwell Point, Hansfield	STAR	Fingal	LDA	247	93.4	31.6	220

Source: Department of Housing, Local Government and Heritage. Analysis by the Office of the Comptroller and Auditor General.

### Case studies 1 – 5: social housing

- 15.46** The social housing projects selected were delivered under two schemes — the Capital Advance Leasing Facility (CALF) and the Social Housing Investment Programme (SHIP). Figure 15.8 provides an overview of the two schemes.
- 15.47** The Department provides 100% of the funding for projects funded under the SHIP scheme. However, there is no separate subhead in the appropriation account disclosing the expenditure incurred on SHIP specifically.
- 15.48** The Department is not a party to the contracts for which it provides funding. In the cases of Green Lane and Ballybanemor Road, where costs increased after the project had been formally approved for departmental funding, the project lead had to submit a revised application to the Department to request higher funding.

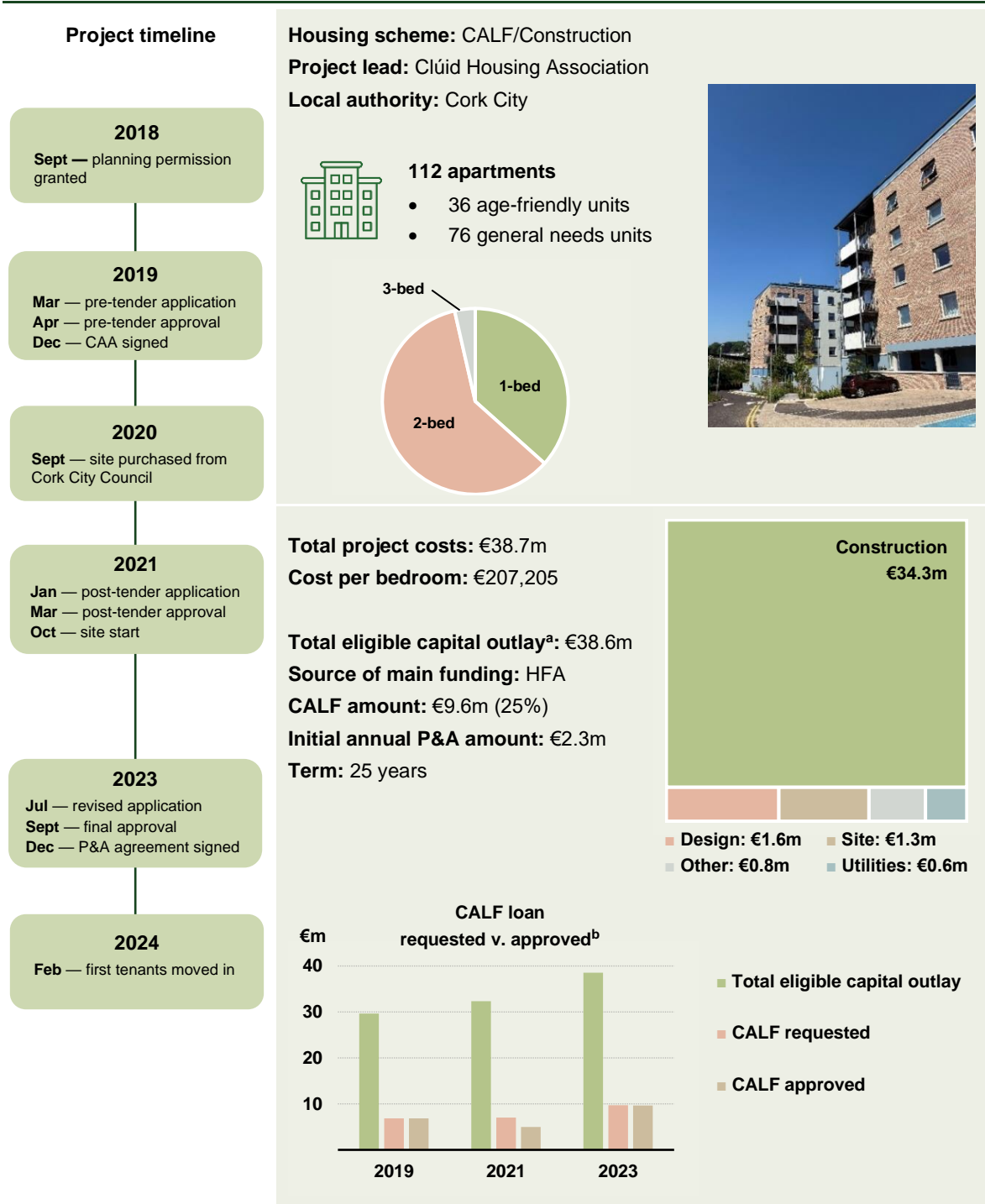
**Figure 15.8 Overview of Capital Advance Leasing Facility and Social Housing Investment Programme**

Key feature	Capital Advance Leasing Facility	Social Housing Investment Programme
<b>Project lead</b>	Approved Housing Body (AHB)	Local authority
<b>Department funding</b>	25-30% of eligible capital cost	100%
<b>Funding mechanism</b>	Loan at 2% per annum; repayable at end of agreement lifetime. The Housing Finance Agency may provide additional loan funding.	Grant
<b>Term</b>	Up to 30 years	N/A
<b>Approval process</b>	Application to the Department by the AHB, endorsed by the local authority.	Four-stage process (59-week target timeline); application to the Department by the local authority. <sup>a</sup>
<b>Assessment of project</b>	Financial appraisal by the Housing Agency.	Design and costs reviewed by the Department's architect and quantity surveyor advisors.
<b>Agreement(s)</b>	Capital advance agreement (CAA) between the AHB and the local authority — terms and conditions of the loan.  Payment and availability (P&A) agreement between the AHB and the local authority — long-term leasing agreement signed on completion of the units.  Continuation agreement between the AHB, local authority and private lender.	Approval letter issued by the Department to the local authority.

Source: Department of Housing, Local Government and Heritage. Analysis by the Office of the Comptroller and Auditor General.

Note: a Smaller projects costing less than €8 million and meeting certain criteria are assessed through a single-stage process. In July 2025, the Minister for Housing, Local Government and Heritage announced that a single-stage approval process would replace the current four-stage process.

**Case study 1: Green Lane, Blackpool, Cork**

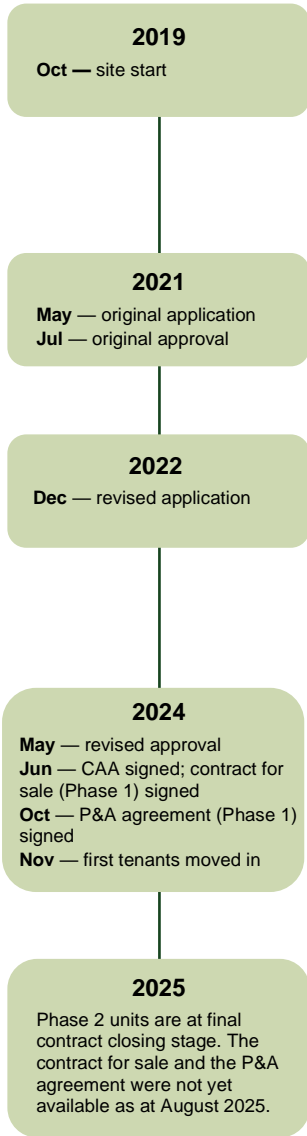


Source: Department of Housing, Local Government and Heritage; Clúid Housing Association; Cork City Council. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a The total eligible capital outlay excludes some legal and bridging finance costs as well as a portion of costs associated with the construction of communal facilities provided for tenants of the age-friendly apartments.
  - b In 2023, the total project cost was 30% more than in 2019, however the CALF funding approved increased by 41%.

**Case study 2: Cherrywood Town Centre, Dublin 18**

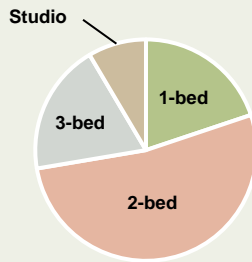
**Project timeline**



**Housing scheme:** CALF/Turnkey/Part V  
**Project lead:** Clúid Housing Association  
**Local authority:** Dún Laoghaire-Rathdown



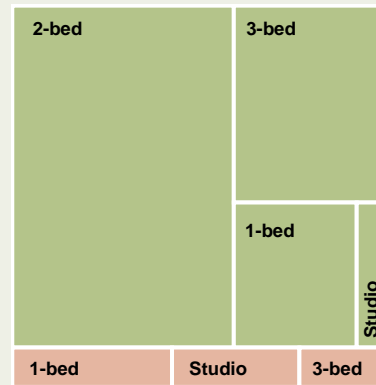
- 141 apartments**
- 127 Part V units
  - 14 turnkey units



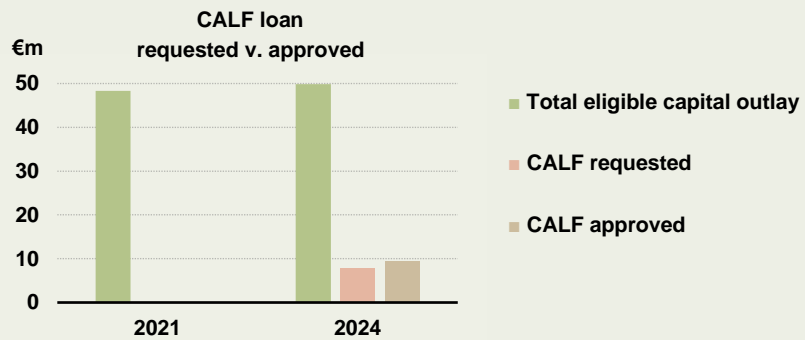
**Phase 1:** 80 units  
**Phase 2:** 61 units

**Total project costs<sup>a</sup>:** €49.8m  
**Cost per bedroom<sup>b</sup>:** €185,234

**Total eligible capital outlay:** €49.8m  
**Source of main funding:** HFA  
**CALF amount:** €9.5m (19%)  
**Initial annual P&A amount:** €3.3m  
**Term:** 30 years



■ Part V: €44.7m ■ Turnkey: €5.1m



Source: Department of Housing, Local Government and Heritage; Clúid Housing Association; Dún Laoghaire-Rathdown County Council. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a The price of the Part V units is negotiated between the local authority and the developer.
  - b Studio apartments are counted as 1-bedroom units. Average cost of a bedroom delivered by turnkey and Part V is €284,889 and €178,088 respectively.

**Case study 3: Ballybanemor Road, Ballybrit, Galway**

### Project timeline

**2020**  
Apr — planning permission granted

**2021**  
Apr — original application and approval; site start  
Jul — site purchased; development agreement signed; CAA signed

**2023**  
Sept — revised application  
Oct — P&A agreement (Phase 1) signed; first tenants moved in  
Nov — revised approval  
Dec — P&A agreement (Phase 2) signed

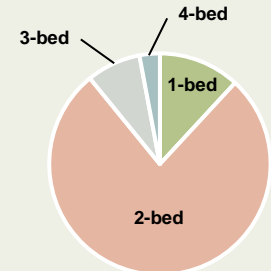
**2024**  
Apr — P&A agreement (Phase 3) signed

### Housing scheme: CALF/Turnkey<sup>a</sup>

**Project lead:** Respond  
**Local authority:** Galway City

**101 properties (incl. 10 Part V)**

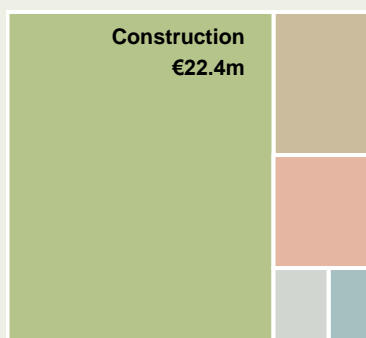
- 78 apartments
- 23 houses



**Phase 1:** 28 units  
**Phase 2:** 61 units  
**Phase 3:** 12 units

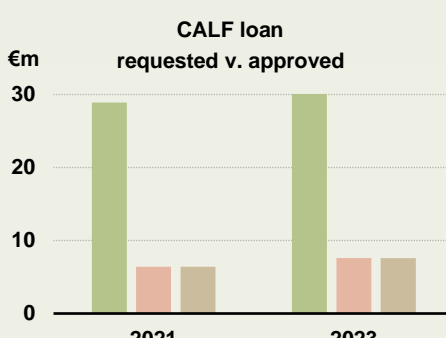
**Total project costs:** €30.5m  
**Cost per bedroom:** €149,602

**Total eligible capital outlay:** €30.5m  
**Source of main funding:** HFA  
**CALF amount:** €7.6m (25%)  
**Initial annual P&A amount:** €1.8m  
**Term:** 30 years



■ **Site:** €3.4m    ■ **Design:** €2.7m  
■ **Misc.:** €1.1m<sup>b</sup>    ■ **Utilities:** €0.9m

**CALF loan requested v. approved**



■ **Total eligible capital outlay**  
■ **CALF requested**  
■ **CALF approved**

Source: Department of Housing, Local Government and Heritage; Respond; Galway City Council. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a The project is categorised as CALF Turnkey by the Department. Respond referred to it as a 'stage-payment' turnkey in that it involved the AHB purchasing the site and tendering for the design, construction and completion of the units rather than simply buying the completed units from a developer.
  - b Includes €69,802 in capitalised project costs.

**Case study 4: Poulavone, Ballincollig, Cork**

### Project timeline

**2016**  
Jul — Stage 1 application  
Sept — Stage 1 approval

**2017**  
Jul — revised Stage 1 application (re-design)  
Aug — revised Stage 1 approval

**2019**  
May — Stage 2 application  
Jul — Stage 2 approval

**2020**  
Nov — Part 8 planning approval

**2021**  
Apr — Stage 3 application  
Jun — revised Stage 3 application  
Sept — Stage 3 approval

**2022**  
May — tender for construction  
Sep — Stage 4 application and approval  
Nov — contract awarded

**2024**  
Nov — substantial completion  
Dec — first tenants moved in

**2025**  
Mar — final account  
Apr — final account approval

### Housing scheme: SHIP/Construction

**Project lead<sup>a</sup>:** Cork County and City Councils  
**Local authority:** Cork County/Cork City

**64 properties**

- 56 houses
- 8 apartments

**Total project costs<sup>b</sup>:** €24.2m  
**Cost per bedroom:** €153,437

**Approved funding:** €23.4m

The discrepancy between total costs and approved funding mainly relates to the cost of the site purchased in 2003. The final account submitted by Cork City Council includes site cost of €3.1 million. However, the Department determined at Stage 2 that only €2.3 million was eligible for funding under SHIP. The Council has challenged the final budget approved by the Department to request additional funding for site cost. No decision had been reached as at August 2025.

**Application stages: planned no. of units and SHIP funding requested v. approved**

Stage	Planned no. of units	Funding requested (€m)	Funding approved (€m)
Stage 1	67 units	~18	~15
Stage 1 revised	57 units	~17	~14
Stage 2	60 units	~17	~17
Stage 3	64 units	~20	~20
Stage 4	64 units	~24	~23
Final account	64 units	~24	~23

Source: Department of Housing, Local Government and Heritage; Cork City Council. Analysis by the Office of the Comptroller and Auditor General.

Notes: a Ownership of the project transferred from Cork County Council to Cork City Council in 2019 following the extension of the Cork City boundary.

b The difference of €0.1 million between total project costs and the breakdown provided is due to rounding.

**Case study 5: Mount William, Williamstown, Waterford**

**Project timeline**

**2019**

**May** — planning permission granted  
**Jul** — request for expressions of interest published (e-tenders)  
**Nov** — SHIP application

**2020**

**Jan** — SHIP approval  
**Mar** — contract for sale signed  
**Jun** — site start  
**Dec** — first phase completed

**2021**

**Jan** — first tenants moved in  
**Q2** — final phase completed

**Housing scheme:** SHIP/Turnkey (single-stage project)  
**Project lead:** Waterford City and County Council  
**Local authority:** Waterford City and County

**65 houses**

2-bed  
3-bed

**Total project costs:** €13.7m  
**Cost per bedroom:** €75,743

**Approved funding:** €13.7m

In July 2019, Waterford City & County Council issued a request for expressions of interest in the provision of turnkey social housing developments. The proposal to acquire 65 units at Mount William was assessed by the Council as meeting the required criteria. The units were acquired for a fixed price of €13.4m.

**Units sale price**  
**€13.4m**

- Legal fees (2%): €268,000
- Management fees: €40,000

Source: Department of Housing, Local Government and Heritage; Waterford City & County Council. Analysis by the Office of the Comptroller and Auditor General.

**Case study 6: affordable housing**

- 15.49** The examination team reviewed a cost rental housing project delivered by the LDA in Hansfield, Dublin 15. The project received Exchequer funding under the STAR investment scheme.
- 15.50** STAR is open to market operators who commit to make residential units available as cost rental housing.<sup>1</sup> Under the terms of the scheme, the State contributes the amount required to enable eligible housing projects to achieve target rents at least 25% below estimated market levels.
- 15.51** The maximum STAR investment is €175,000 per unit in Dublin, and €150,000 per unit in the rest of the country. An additional investment of €25,000 per unit is available subject to meeting certain sustainability criteria.
- 15.52** As at May 2025, the LDA is the only housing provider to have successfully qualified for STAR funding.

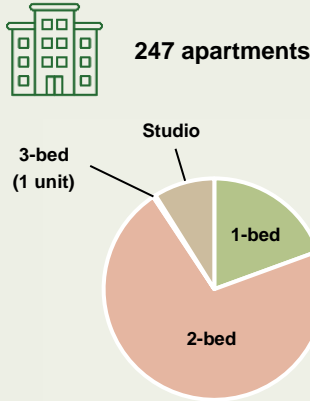
<sup>1</sup> STAR is administered by the Housing Agency. It opened on 1 August 2023 and will operate until 31 December 2027, subject to funding ceiling set by Government being reached or the Department announcing its closure.

**Case study 6: Barnwell Point, Hansfield, Dublin 15**

**Project timeline**



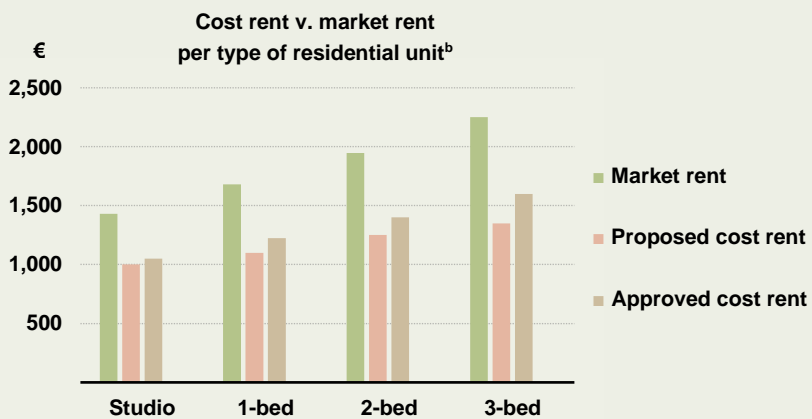
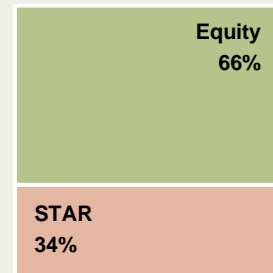
**Housing scheme:** STAR/Turnkey  
**Project lead:** Land Development Agency  
**Local authority:** Fingal



**Phase 1:** 93 units  
**Phase 2:** 74 units  
**Phase 3:** 80 units

**Total project costs:** €93.4m  
**Cost per bedroom<sup>a</sup>:** €219,840

**Total STAR investment:** €31.6m  
**STAR investment per unit:** €128,000  
**Source of main funding:** LDA equity  
**Cost rental designation:** 50 years



Source: Department of Housing, Local Government and Heritage; Housing Agency; Land Development Agency. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a Studio apartments are counted as 1-bedroom units.
  - b Market rents are those provided by the LDA in the financial model submitted in October 2023. Approved cost rents are rents after adjustment by the Housing Agency when assessing the application. Those adjusted rents are used in calculating the level of STAR investment to be made available and correspond to the rents charged by the LDA to their cost rental tenants.

## Conclusions

- 15.53** The Department is responsible for supporting the planning and building of housing in Ireland. In 2024, the Department spent €5.3 billion on its housing programme. In addition, €151 million was provided by ten local authorities from local property tax receipts.
- 15.54** The delivery streams of social housing and affordable housing account for approximately €4.3 billion (79%) of the expenditure. Social housing expenditure makes up the majority of this at €3.5 billion. The main expenditure items are the various housing funding schemes administered either directly by the Department, or by the Housing Agency on behalf of the Department. There were 11 affordable and social housing funding schemes in operation at the end of 2024.

### *Housing funding flows*

- 15.55** Almost €4.8 billion (88%) of the expenditure on housing related to payments made to local authorities. Almost 23% (€1.1 billion) of the funding to local authorities was paid on to AHBs. AHBs received approximately €1.5 billion from the Department through local authorities and the Housing Agency.
- 15.56** In addition to Department funding, the HFA provided gross lending of €1.5 billion to local authorities and AHBs for the delivery of housing in 2024. (The HFA is not subject to audit by the Office of the Comptroller and Auditor General.)

### *Management information*

- 15.57** There is no central database of housing projects delivered under the Department's housing programme. Relevant units within the Department's Social Housing and Affordable Housing Divisions maintain separate datasets to record key information and track spending on the capital projects that are delivered under the different housing funding schemes.
- 15.58** In September 2020, in response to a report of the Comptroller and Auditor General, the Department reported that it was developing an integrated system for the management of housing-related data and schemes. The business case for the project noted several challenges that impact the efficient and effective management of housing programmes. The challenges included
- non-standardised format of data with considerable time and effort to validate and verify the accuracy of information requiring manual intervention
  - no single point of data entry to maintain the integrity of data
  - production of timely and accurate reports is difficult
  - difficulty in monitoring progress on projects easily and accurately
  - difficulty in verifying the achievement of the Department's strategic goals and objectives.

- 15.59** The Department has stated that it commenced a project in 2023 to develop an IT system to improve and standardise work processes, improve data management and reporting, and ensure better information flows between the Department, local authorities and other key stakeholders involved in housing delivery. The development project is being implemented on a phased basis, with a target date for full implementation of the system in 2028.
- 15.60** The Department's estimate of the expected total cost of the system, including contracted post-implementation support, is €12.8 million.
- 15.61** The business case for the new information system noted a risk to the quality of information available to the Department. The rapid increase in the level of spending on schemes heightens the risks associated with inadequate information.

### ***Assessing output***

- 15.62** Of the €4.8 billion paid to the local authorities in 2024, two-fifths is categorised as capital funding for local authority housing. A key target set for this capital funding — the number of new-build and acquisition units delivered — was not met in 2024.
- 15.63** The majority of the funding to AHBs comes from three schemes — SHCEP, CALF and CREL. There are performance targets set for the three schemes. In 2024, the CREL exceeded its target by 52%. However, the SHCEP and the CALF scheme fell short of the target by 25% and 16% respectively.

### ***Case studies***

- 15.64** To facilitate a comparison of the output for the expenditure, an average cost per bedroom was calculated for six sample projects funded under the different schemes. The average cost per bedroom varied from €76,000 to €220,000. The highest bedroom cost related to the delivery of 247 units under the STAR investment scheme.
- 15.65** For the two projects delivered under the SHIP model, the average cost per bedroom of one project was double the cost of the other project. The higher-cost project was a construction project spanning nearly ten years, while the lower cost was for a turnkey project delivered over two years. Such comparative anomalies require formal retrospective analysis to learn lessons and to avoid cost-increasing factors in the future. Having good management data to facilitate identification of such outcomes is a precursor to such learning.

### Annex 15A Challenges to the efficient and effective management of housing delivery programmes identified by the Department

<b>Sources of information</b>	Data is often captured from multiple sources and in non-standardised multiple formats. Considerable time and effort is required to validate and verify the accuracy of information from these sources.
<b>Information and data sharing</b>	Sharing of information and data is labour intensive requiring manual intervention to ensure accuracy and to avoid errors. Efficiencies could be achieved by introducing form level validation with business rules to ensure applications are error free. Paper submissions with multiple reviews necessitate considerable time being added to the process with no additional value being generated.
<b>Business rules</b>	Differing sets of business rules, and interpretation of business rules across stakeholders, can cause delays in processing claims and applications. Validation can be time-consuming and can result in non-value-added activities.
<b>Real-time data capture</b>	There is currently no single point of data entry across all stakeholders to maintain the integrity of the data. This leads to duplication of effort/repetition of tasks and requests as the information being submitted is missing details and this results in a delay in the processing of the claim.
<b>Reporting and forecasting</b>	Production of timely and accurate reports is difficult due to the various reporting formats and structures. This presents challenges collating, gathering and analysing information from these multiple sources and stakeholders.
<b>Project status tracking</b>	Tracking the status of proposed and active housing projects involves offline manual activities and research which make it difficult to monitor the project or different stages of the project easily and accurately. All stakeholders are therefore not able to see where a project is with regard to approval and payments.
<b>Standard workflows/alerts</b>	Without full clarity on the overall processes, a significant amount of time and effort is being invested in identifying, managing and controlling data ownership. Without standard workflows with alerts being automated, milestone dates can be surpassed and/or out of sequence, resulting in significant overhead required to validate the status of applications.
<b>Real-time payments details</b>	Considerable time is currently required to investigate and confirm payments information to support steps in the claims process. Real-time payment information is available from the Oracle Financial Management System but is not linked back to systems.
<b>Unique identifier (Housing unit)</b>	Without a unique identifier for each housing unit across all systems, considerable time and effort is being invested in linking cases and in reporting on back data/previous claims, and general validating of information and data. This may lead to a delay in the processing of claims.
<b>Performance management</b>	It is more difficult to verify the achievement of the Department's and Government's strategic goals and objectives, while non-standardised performance measurements are in place across Housing Programmes.

Source: Department of Housing, Local Government and Heritage

## 16 Regularity of social welfare payments

- 16.1** The Department of Social Protection (the Department) is required to ensure that
- expenditure it incurs has been applied for the purposes for which the money has been made available by Dáil Éireann, and
  - its financial transactions conform with the authorities under which they purport to have been carried out.

Financial transactions are considered to be 'regular' when both of these conditions are satisfied.

- 16.2** Any payments that are in excess of claimants' entitlements under the terms of welfare schemes are, accordingly, irregular. Such excess payments can arise due to suspected fraud, new facts or evidence such as a change in the claimant's circumstances not being notified to the Department, or official error (see Annex 16A).
- 16.3** The level of expenditure incurred each year by the Department means that even a low incidence of error, new facts and/or suspected fraud can result in a substantial monetary loss to the Exchequer — which funds Vote 37 Social Protection — or to the Social Insurance Fund (SIF), which is mainly funded by social insurance contribution receipts.
- 16.4** This chapter assesses the regularity of social welfare payments for 2024 and considers the impact on the Comptroller and Auditor General's audit reports for the Vote 37 appropriation account and the SIF financial statements. The examination team reviewed key documents and data produced by the Department and interviewed relevant members of Department staff.

### Control surveys

- 16.5** In 2024, the Department's scheme expenditure totalled €26.2 billion.<sup>1</sup>
- 16.6** The Department undertakes a programme of surveys of scheme payments in order to determine the level of excess payment that is occurring. This is a key measure of the Department's success in preventing, detecting and deterring fraud and error in its scheme payments. The surveys also assist the Department in identifying scheme-specific risks and required changes to the control measures in place.<sup>2</sup>
- 16.7** The surveys involve reviews of random samples of claims in payment to establish if the recipients are entitled to the payments they are currently receiving and, if so, whether the correct amounts are being paid.

<sup>1</sup> In addition to the Department's scheme expenditure, €1.2 billion was paid over to the National Training Fund; €731 million was paid for administration expenses; and €62 million in grant funding was paid to the Citizens Information Board.

<sup>2</sup> The Department published the methodology for control surveys in May 2022, available [here](#).

**Control survey methodology**

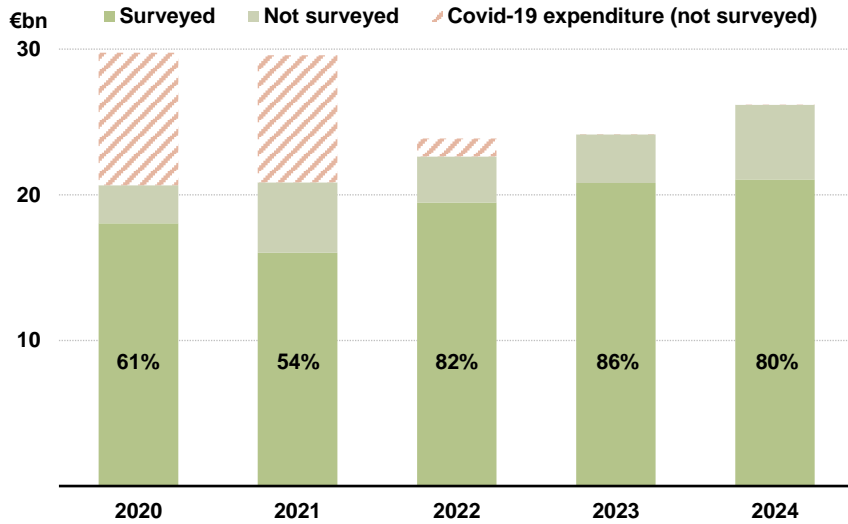
Control surveys generally review between 600 and 1,000 randomly selected claims for each scheme and aim to provide an estimate — with 95% confidence — of the level of incorrect payment at a point in time. The surveys typically capture

- the **gross excess payment** which is the total value of any excess payments identified
- the **net excess payment** which adjusts for transfers to other schemes in situations where a claimant (and/or a dependent person) was found to be paid in excess of their entitlements on the scheme reviewed, but was entitled to a different social protection payment.

The Department considers the net excess payment identified to be the more accurate measure of the level of excess payment on schemes.

**16.8** 80% of the Department's total scheme expenditure in 2024 was on schemes subject to control surveys conducted within the last ten years (see Figure 16.1). This was a decrease from 86% of total scheme expenditure in 2023.<sup>1</sup>

**Figure 16.1 Coverage of scheme expenditure provided by control surveys<sup>a</sup>**



<sup>1</sup> Excludes Covid-19-related schemes. The Department stated that the pandemic-related schemes were temporary and therefore control surveys of the schemes would be of limited use in relation to the assessment of scheme controls.

Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Note: a Coverage provided by control surveys published within the last ten years (2016 to 2025).

## Implications of control surveys for audits

**16.9** There is wide variation in the level of excess payments found by surveys undertaken since 2016 (see Figure 16.2).

- In relation to Vote-funded schemes, estimated rates of net excess payments range from 0.6% of scheme expenditure on working family payment to 12.7% of scheme expenditure on farm assist.
- Estimated rates of net excess payments for SIF schemes range from 0.9% (State pension contributory) to 8% (jobseeker's benefit).

<sup>1</sup> Excludes Covid-19-related expenditure and is calculated using 2024 expenditure for the schemes surveyed in the last ten years (80% of the total scheme expenditure).

**16.10** The examination team has estimated a weighted average rate of excess payments based on the schemes surveyed in the last ten years of 3.25% for 2024 (2023: 3.44%).<sup>1</sup>

**Figure 16.2 Estimated level of net excess payments in schemes subject to control surveys published since 2016**

	Scheme (and survey report date) <sup>a</sup>	Scheme cost in 2024 €m	Estimated level of net excess payment <sup>b</sup>
<b>Vote-funded schemes</b>	Child benefit (2022)	2,555	1.4%
	Disability allowance (2023)	2,408	5.7%
	Jobseeker's allowance (2025)	1,853	6.8%
	State pension (non-contributory) (2025)	1,336	6.1%
	Carer's allowance (2018)	1,203	9.1%
	One-parent family payment (2021)	753	5.9%
	Working family payment (2016)	421	0.6%
	Supplementary welfare allowance (BASI) (2017)	128	2.6%
	Farm assist (2016)	52	12.7%
	Back to work enterprise allowance (2019)	30	3.3%
<b>Social insurance funded schemes</b>	State pension (contributory) (2024)	7,858	0.9%
	Widow's/widower's/surviving civil partner's contributory pension (2024)	1,954	1.3%
	Jobseeker's benefit (2023)	504	8.0%

Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- The household benefits survey in 2016 is not included because the survey only related to beneficiaries not in receipt of another welfare payment and represented only 7% of those in receipt of the benefits package.
  - The net excess payment is the value of all excess payments identified less transfers to other schemes. The figures shown are the net excess payments identified in control surveys as a percentage of the total value of payments of income support included in the survey cases.

## Latest control survey findings

- 16.11** The Department published two control surveys in 2025, focused on the jobseeker's allowance and non-contributory State pension schemes. Both schemes are Vote-funded.

### *Jobseeker's allowance*

- 16.12** The jobseeker's allowance scheme incurred expenditure of €1.85 billion in 2024. There were 107,693 claims in payment at December 2024. The allowance is a means-tested weekly allowance paid to individuals working three days a week or less, who are habitually resident in the State and are genuinely seeking full-time employment.<sup>1</sup> From January 2025, the personal scheme payment rate is €244 per week.<sup>2</sup>

- 16.13** In March 2025, the Department published the results of the jobseeker's allowance control survey. The survey examined 757 claims in payment in 2023 and 2024 in two batches — 500 in September 2023 and 257 claims in March 2024.<sup>3</sup>

- 16.14** The control survey found that 156 (20.6%) of the jobseeker's allowance claimants surveyed were receiving more than they were entitled to. The value of the excess payments was estimated to be 6.9% of expenditure on the sampled cases.<sup>4</sup> Transfer of ineligible claimants to other schemes to which they were entitled reduced the excess payment level to a net 6.8%.

- 16.15** The control survey also found 4.1% of claimants surveyed were being underpaid, with the underpayments equivalent to 0.4% of scheme expenditure across all claims examined.

- 16.16** The net excess payment rate of 6.8% detected by the survey has decreased from that detected in the previous year (8.3%). This reduction is in line with the Department's expectation that a re-introduction of many of the controls that had been suspended during the pandemic (e.g. quarterly sign-on) would have a positive impact on the results of control surveys.

- 16.17** The main risk identified related to overpayments arising due to claimants having means other than from employment. Additionally, the Department identified trends concerning overpayments within certain groupings such as part-time or casual workers (see Figure 16A.1).

- 16.18** The excess payment rate of 6.8% is still high. The Department outlined the steps taken to address the key scheme risks identified by the survey and to improve the controls over jobseeker's allowance (see Figure 16A.1).

<sup>1</sup> The claimant must be over 18 and under 66 years of age.

<sup>2</sup> A reduced rate of €153.70 is paid to those aged 18 – 24 and not living independently. An additional payment may be made for qualifying dependent adults or children.

<sup>3</sup> This is the fourth 'rolling' survey of the jobseeker's allowance scheme that the Department has published (the previous surveys were published in 2021, 2022 and 2024).

<sup>4</sup> The main causes of excess payments identified remain: wilful concealment of facts (2.5% of scheme expenditure) and unreported changes in circumstances (2.7% of scheme expenditure).

### **State pension (non-contributory)**

- 16.19** The non-contributory State pension scheme is funded by the Vote, with expenditure of €1.3 billion in 2024. There were 99,134 claims in payment at December 2024. The allowance is a means-tested weekly allowance paid to individuals who do not qualify for an insurance-based (contributory) State pension or who only qualify for a reduced-rate contributory pension based on their social insurance record, and who are habitually resident in the State. From January 2025, the full personal payment rate is €278 per week.<sup>1</sup>
- 16.20** In March 2025, the Department published the results of the State pension non-contributory control survey. The survey examined 800 claims in payment in 2023 and 2024 in two batches — 400 in February 2023 and 400 in March 2024. The control survey found that 209 (26.1%) of the State pension non-contributory claimants surveyed were receiving more than they were entitled to. The value of the excess payments was estimated to be 6.2% of expenditure on the sampled cases. Transfer to other schemes reduced the excess payment level to net 6.1%. This compares with a net excess payment level (by value) of 6.5% found in the previous control survey, published in 2019.
- 16.21** The control survey also found 6.3% of claimants surveyed were being underpaid, with the underpayments equivalent to 0.7% of scheme expenditure across all claims examined.
- 16.22** The main risk identified by the Department was that overpayments are more likely to occur in cases where claimants are also in receipt of foreign/private pensions (see Figure 16A.2).
- 16.23** The net excess payment rate of 6.1% detected by the survey is high. The Department outlined the steps taken to address the key scheme risks identified by the survey and to improve the controls over the State pension non-contributory allowance. This includes a revised control framework introduced in April 2025 (see Figure 16A.2).

### **Recovery of overpayments**

- 16.24** Where an excess payment is identified by the Department, the deciding officer will determine on a case-by-case basis, in accordance with legislation and the relevant operational guidelines, how this is to be treated, by issuing either
- a 'current date' decision i.e. future payments are corrected but recovery of any past excess payments is not sought — no overpayment debt is raised, or
  - a 'retrospective' decision i.e. future payments are corrected, a specific overpayment debt amount is raised for recovery.<sup>2</sup>
- 16.25** The examination team reviewed the latest (2025) control surveys cases where the Department identified an excess payment and found that overpayments had only been raised in 38 out of 365 (10%) excess payment cases identified.
- 16.26** A perceived low likelihood of having an overpayment debt raised when an excess entitlement situation is detected may mean that some claimants may feel there is little risk associated with not keeping the Department informed, in a timely manner, of a change in circumstance relevant to their claims.

<sup>1</sup> Increases to €288 per week for those 80 years and over.

<sup>2</sup> The powers of a deciding officer are set out in Part 10 of the [Social Welfare Consolidation Act 2005](#) (as amended).

- 16.27** The Department has previously stated that it actively reviews higher-risk claims, and that where an overpayment debt is raised, the claimant has a liability to refund the overpayment in full, including from any future social welfare payments.

### **Forthcoming control surveys**

- 16.28** In October 2024, the Department commenced a control survey of the one-parent family payment scheme. A sample of 600 claims in payment was selected.
- 16.29** The Department is conducting a rolling control survey on the jobseeker's allowance scheme with the most recent batch of 250 claims in payment in March 2025 selected.
- 16.30** Both the one-parent family payment and the jobseeker's allowance schemes are funded from Vote 37 Social Protection and had a combined expenditure of €2.6 billion in 2024. The reports on these control surveys are expected to be published in the first quarter of 2026.

### **Other social welfare payment regularity issues**

#### ***Pandemic unemployment payment***

- 16.31** The pandemic unemployment payment (PUP) commenced in March 2020 and total scheme expenditure amounted to around €9.2 billion over the period 2020 to 2022. Total PUP scheme overpayment debt raised as at December 2024 was €91.4 million (1% of scheme expenditure), of which €26.2 million has been recovered.
- 16.32** Approximately 65,000 PUP claimants were identified who had periods of employment overlapping with periods when they were in receipt of PUP. The Department analysed these claimants in two groups: those who had a single employment and those who potentially had more than one employment.
- 16.33** The review of the single-employment group was completed in December 2024, resulting in overpayment debt amounting to €34 million being raised. A review of those who potentially had multiple employments is ongoing, and so further overpayment debts may be identified. There are 37 staff working on this project and the Department hopes to complete the review in 2025.
- 16.34** The Control Division within the Department has ownership of the recovery of PUP overpayment debt. A project team of 25 staff has been sanctioned to oversee the recoupment of the outstanding debt through attachment of earnings.<sup>1</sup> The team will focus initially on outstanding debts raised in 2024.

#### ***Temporary Covid-19 wage subsidy schemes***

- 16.35** The temporary wage subsidy scheme and the employment wage subsidy scheme were introduced during the Covid-19 pandemic.<sup>2</sup> The Office of the Revenue Commissioners (Revenue) was responsible for overseeing and managing the scheme on behalf of the Department. Cumulative expenditure on the wage subsidy schemes from 2020 to 2024 amounted to €9.5 billion. This was charged to the Vote 37 Social Protection appropriation account.

<sup>1</sup> The attachment notice can be to the debtor's wages or salary or to funds held in financial institutions by the debtor.

<sup>2</sup> The temporary wage subsidy scheme was in place from March 2020 until August 2020. The employment wage subsidy scheme replaced the temporary scheme on 1 September 2020.

- 16.36** Since the closure of the wage subsidy schemes, Revenue has undertaken compliance programmes and subsidy reconciliation exercises. A total of €475 million in overpayments has been identified for both schemes, which is 5% of the combined scheme expenditures.<sup>1</sup>
- 16.37** As at 31 August 2025, a total of €400 million has been recovered and repaid to Vote 37. While the remaining €75 million remains outstanding, Revenue stated that nearly 76% (€57 million) is expected to be recovered through phased payment arrangements.
- 16.38** The total value of overpayments identified to date includes €224 million directly related to the transitional phase of the temporary wage subsidy scheme, identified through reconciliations completed in March 2021.<sup>2</sup>

### **School meals scheme**

- 16.39** The school meals scheme is funded through the Vote with expenditure of €181 million in 2024 (€109 million in 2023). The scheme is undergoing significant expansion, as is evident from the 66% increase in expenditure in 2024. The scheme is due to further extend to include all primary schools in 2025.
- 16.40** Funding under this scheme is for food only, and schools are responsible for selecting their own food suppliers.<sup>3</sup> In October 2024, the Department became aware of an overcharge of almost €786,000 by a single supplier in relation to 98 schools during the 2021/2022 and 2022/2023 academic periods. The issue was first raised with the supplier by one school, following a routine inspection by the Department, in September 2023.
- 16.41** The supplier commenced making refunds to the schools on a phased basis in February 2025. The Department is engaging with the schools to subsequently recover refunds made.

<sup>1</sup> The employment wage subsidy scheme closed in May 2022.

<sup>2</sup> During the transitional phase a maximum subsidy of €410 per employee was paid to each eligible employer for the first six weeks of the scheme, regardless of the employee's income. Employers were required to repay any excess subsidy payments arising. See [Report on the Accounts of the Public Services 2020, chapter 12. Controls over the temporary wage subsidy scheme.](#)

<sup>3</sup> Food must be of suitable quality and nutritional value, and prepared and consumed in an appropriate environment.

<sup>4</sup> A control survey on the one-parent family payment is due to be published by the Department in 2026.

### **One-parent family payment**

- 16.42** The one-parent family payment is a means-tested payment to a qualifying parent caring for one or more children without the support of a partner. In 2024, scheme expenditure was €753 million (2023: €680 million).
- 16.43** As part of the scheme controls in place, claimants are required to submit an annual return on an 'OFP40' form. This return is used to verify that the claimant remains eligible for the payment and that the payment is made at the correct rate. The form was withdrawn in November 2022, while supporting legislation was being reviewed.
- 16.44** The absence of this control throughout 2024 may have resulted in delays in the Department being notified of changes to a claimant's circumstances.
- 16.45** The Department began again to issue the OFP40 form manually during 2025 and plans to re-introduce the automated issuance of the form by the end of 2025. As of June 2025, 55% of claimants on the one-parent family payment have been issued with a manual OFP40 form.<sup>4</sup>

### **Daily expenses allowance**

- 16.46** The daily expenses allowance is an income-tested entitlement paid to international protection applicants who reside in, or are waiting for, accommodation provided by the International Protection Accommodation Services (IPAS). The rate of daily expenses allowance payable is €38.80 per week for an adult and €29.80 per week for a child. An increased rate of €113.80 per week for an adult is available if the claimant is unaccommodated.
- 16.47** Scheme expenditure for the year was €60.2 million (€34.4 million in 2023).
- 16.48** Legislation requires the Department to conduct an income assessment for claimants aged 18 years or over, who are in receipt of income for at least 12 weeks, and to reduce or cease to pay the allowance in accordance with their assessed income. Previous audits found that those assessments were not occurring.
- 16.49** With effect from June 2024, the Department introduced income testing for international protection applicants who have been in employment for at least 12 weeks and are earning €60 a week or more. Claimants earning between €60 and €125 a week may qualify for a reduced payment. Thereafter, no allowance is payable. As of June 2025, 9,640 claims have been closed following application of the income test to international protection claimants residing in IPAS accommodation.
- 16.50** The Department has not yet introduced income testing for international protection applicants who are unaccommodated and are on waiting lists for IPAS accommodation.

### **Conclusions**

- 16.51** With scheme expenditure totalling €26.2 billion in 2024, even low levels of payments in excess of entitlements to welfare can amount to significant losses of public funds.
- 16.52** The level of irregular payments found by the Department through its ongoing programme of scheme-level control surveys continues to be material. Based on these findings, the audit reports on the 2024 appropriation account for Vote 37 Social Protection and on the 2024 financial statements of the SIF draw attention to the material level of irregularity of scheme payments.

## Annex 16A

### Categorisation of irregular payments

- **Suspected fraud** — where it is suspected that a claimant for welfare payments intentionally provides incomplete or inaccurate information in relation to a claim, or deliberately fails to inform the Department of relevant changes in circumstances (such as an increase in means or a change in medical condition) affecting a claim in payment.
- **Claimant error** — when the claimant has provided inaccurate or incomplete information, or failed to report a relevant change in circumstances, but there is no fraudulent intent on the claimant's part.
- **Official error** — where benefits are paid incorrectly due to inaction, delay or mistakes made by the Department's staff.<sup>1</sup> Where the last review of a claim was conducted more than five years previously (or three years previously for working age schemes), excess payment is categorised as an official error.

<sup>1</sup> In some cases, claimant and official error can also result in claimants receiving less than they are entitled to (an underpayment).

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**Figure 16A.1 Jobseeker's allowance — control survey findings and control changes**


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**Scheme risk**

- Claimants with means other than from employment are more likely (52% of cases) to receive an overpayment than those without other means (20%).
- Risk of overpayment to part-time/casual workers (45%) is more than four times as high as to non-casual workers (10%).
- Females are more likely to be part-time jobseekers, and hence more likely to have an overpayment (22%) compared to males (13%).
- Married or cohabiting claimants have a higher risk of overpayment (31%) than single claimants (16%).
- Increased risk of overpayment using any other payment methods (44%) compared to post office payments (15%).

**Measures to improve the control regime**

- All jobseekers will continue to attend their Intreo centre within one month of claim award to sign and then on a quarterly basis thereafter.
- Increase target of claim reviews for 2025 by 33%.
- Ensure that priority is given to reviewing high-risk claims identified by data matching with real-time payslip information provided by the Office of the Revenue Commissioners (Revenue).<sup>a</sup>
- The Department employment services staff will continue their active role in reviewing claims where the claimant is not engaging as required with Employment Services.
- Greater focus on employer verification of work patterns on casual claims.
- All new applicants to continue to be paid at the post office.
- Continue to use the resources and experience of the Department's Special Investigation Unit to target high-risk sectors.
- The process for 'commencement of earnings' notifications (from Revenue) was streamlined during 2023, which provides faster processing of reviews on claims and reduces incidences of overpayments.
- The means rules for the scheme will be reviewed during 2025 as part of a wider review within the Department.

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Source: Department of Social Protection

Note: a The legal basis for the sharing of personal data with third parties and the processing of personal data is covered in more detail in the [Department's privacy statement](#).

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**Figure 16A.2 State pension non-contributory — control survey findings and control changes**


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**Scheme risk**

- Claimants with foreign/private pensions are more likely to receive an overpayment caused by increases in these pensions, or by changes in the exchange rate.
- Increased risk of overpayment using any other payment methods (33%) compared to post office payments (19%).
- Claimants age 70 and over were more likely to have an overpayment (30%) compared to under 70 (16%).

**Measures to improve the control regime**

- A revised control framework for the scheme was put in place in April 2025, setting out a revised schedule for review frequencies, with cases selected via a risk-assessment approach.
- Continue to notify claimants of their obligation to inform the Department of any changes in their circumstances.<sup>a</sup>
- Claimants with British state pensions will be identified and targeted for more regular review.
- Claimants with private pensions/means will be identified and targeted for more regular communication.<sup>b</sup>
- Claimants not reviewed since 2011 or prior will continue to be identified and reviewed as priority.
- Claimants of advanced age will continue to be selected for a Social Welfare Inspector visit to ensure continuing eligibility.<sup>c</sup>
- The means rules for the scheme will be reviewed during 2025 as part of a wider review within the Department.

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Source: Department of Social Protection

- Notes:
- a Claims selected on a risk-assessed basis, 25,000 of such notifications will issue in 2025. This will include claimants with other foreign pension payments (apart from British pensions).
  - b Requesting that they update the Department in a timely manner of any changes in such pensions/means.
  - c Also to establish that they are satisfied with any agent arrangement that may be in place.



# 17 Classification of workers for PRSI purposes

- 17.1** Pay Related Social Insurance (PRSI) contributions are payable in respect of persons aged from 16 up to the award of the State pension. PRSI contributions are paid into the statutory Social Insurance Fund (SIF), which funds a range of social insurance benefits and pensions. In 2024, over €18 billion was collected in PRSI receipts.<sup>1</sup>
- 17.2** The PRSI contribution rates payable vary depending on the social insurance class into which a person falls (see Annex 17A). In general, the appropriate PRSI contribution class for earned income is determined by a person's employment status and the economic sector in which they work.
- 17.3** Workers categorised as employees contribute at a maximum rate of 4.1% of earnings. In contrast, their employers are liable to pay contributions at rates ranging from nil to 11.15%. Persons who are self-employed pay the equivalent of the employee contribution rate (4.1%) and — since there is no third-party employer — there is no linked employer contribution. There is therefore a potential substantial economic incentive to classify workers as self-employed, and incorrect worker classification is a key risk to the completeness of PRSI contribution receipts.
- 17.4** The correct classification of a person for PRSI purposes is also important because it potentially affects the social insurance benefits and/or pensions entitlements of workers (see Annex 17B).
- 17.5** The Department of Social Protection (the Department) has responsibility for the PRSI system and the formal determination of all social insurance matters. The Office of the Revenue Commissioners (Revenue) collects the vast majority of PRSI contributions due on behalf of the Department on a statutory basis and under an agency arrangement.<sup>2,3</sup>
- 17.6** This report examines the processes the Department has put in place to address the risk of misclassification of employment status for individuals for PRSI purposes. The report considers
- the criteria engaged and their application by the Department for the determination of employment status
  - the extent of recorded self-employment in the State
  - compliance activity undertaken by the Department to detect cases of misclassification.
- 17.7** The examination team reviewed key documents and data produced by the Department and interviewed relevant members of Department staff. A sample of investigations from the Department's compliance activity in 2024 was examined to assess adherence with the Department's policy and procedures. The examination also obtained certain information from Revenue.

<sup>1</sup> PRSI receipts include the National Training Fund levy, which is collected through employer's PRSI contributions and remitted to the National Training Fund. See *Report on the Accounts of the Public Services 2024*, chapter 24, The collection and allocation of PRSI receipts.

<sup>2</sup> The Department pays Revenue an annual agency fee (€37 million) in relation to expenses incurred by Revenue in the collection of PRSI. The fee is a charge on the SIF.

<sup>3</sup> The Department also collects some PRSI receipts directly. A total of €14 million (less than 0.1% of total PRSI receipts) was collected directly by the Department in 2024.

## Criteria for the determination of employment status

- 17.8** The terms ‘employee’ and ‘self-employed’ are not defined under Irish or EU law.
- 17.9** Apart from the Department’s determination of employment status for PRSI classification purposes, the employment status of a worker may separately be determined for other purposes.
- Revenue may determine a worker’s employment status in the context of deciding their treatment for income tax purposes.
  - The Workplace Relations Commission (WRC) may determine employment status when adjudicating on employment rights cases.

### Code of practice

- 17.10** A joint *Code of Practice on Determining Employment Status* (the Code) has been developed by the Department, Revenue and the WRC to assist in cases where employment status has to be formally determined. A revised code was published in November 2024 following the 2023 judgment of the Supreme Court in what is generally referred to as the Karshan case.<sup>1</sup> This related to the employment status for tax purposes of pizza delivery drivers.
- 17.11** In 2022, the Department of Enterprise, Tourism and Employment established the Determination of Employment Status Working Group.<sup>2</sup> The purpose of the group was to give stakeholders an opportunity to engage on the issue of misclassification of employment and to discuss the potential to improve systems by which employment status can be determined. The work of the group concluded in April 2025 following the update of the Code and the publication of guidance issued by Revenue, which outlined the implications of the Karshan determination.
- 17.12** The Code sets out the criteria and guidance to be considered when determining if a worker is employed or self-employed, using a five-step framework outlined in the Karshan case (see Figure 17.1).<sup>3</sup>
- 17.13** The Department has stated that the Code is a living document and will be updated as necessary in respect of relevant developments (case law or legislation) in Ireland or in the EU.
- 17.14** Although the Code is a joint document of the Department, Revenue and the WRC, the decisions of the different organisations are not binding on each other. Each organisation operates within its own legislative framework. Therefore, a determination of employment status in one context does not necessarily confer the same employment status in another context.
- 17.15** There is no record of individual cases where different decisions are reached in the different contexts. The Department stated that cases between workers and employers, and the WRC, Revenue or the Department are confidential and specific to each organisation’s legislative framework.
- 17.16** However, there are certain types of roles where, by reason of specific legislation or the nature of the work or engagement, workers are classified differently for PRSI and income tax purposes (see Annex 17C).

<sup>1</sup> [Revenue Commissioners — v — Karshan \(Midlands\) Ltd T/A Domino's Pizza \[2023\] IESC 24.](#)

<sup>2</sup> The working group included representatives from the Department of Social Protection, Revenue, the WRC, trade unions and other employee representatives.

<sup>3</sup> Since 2022, when the Code was available only in English, it has also been made available in Irish and in eight other languages: Latvian, Lithuanian, Polish, Portuguese, Romanian, Russian, Spanish and Ukrainian.

**Figure 17.1 Framework for the determination of employment status**

Step	Consideration
<b>Wage or remuneration</b>	Does the contract involve the exchange of wages or other remuneration for work?
<b>Personal service</b>	Is the agreement one where the worker is agreeing to provide their own services, and not those of a third party, to the business?
<b>Control</b>	Does the business exercise sufficient control over the worker to render the agreement one that is capable of being an employment agreement?
<b>All the circumstance of employment</b>	Are the terms of the arrangement between the business and the worker — interpreted in the light of the practical or real conditions of engagement — consistent with a contract of employment, or with some other form of contract?
<b>The legislative context</b>	Is there anything in the particular legislative regime under consideration that requires a particular approach to be taken?

Source: The Code of Practice on Determining Employment Status

### *European Union developments*

**17.17** The determination of employment status of workers is also being considered at a European level. In October 2024, a Directive of the European Parliament and of the Council on improving working conditions for those engaged in platform work was published.<sup>1</sup> Platform work is the matching of demand and supply of paid work through an online platform using an algorithm. Typical examples include food delivery and taxi services.

**17.18** Under the EU Directive, member states must establish a legal presumption of employment, for employment rights purposes, for platform workers, which will be triggered when certain facts indicating control and direction are found. Those facts will be determined according to national law and collective agreements, while taking into account EU case-law.<sup>2</sup>

**17.19** Persons working through digital platforms, their representatives, or national authorities may invoke this legal presumption and claim they are misclassified. It is up to the digital platform to prove that there is no employment relationship.

**17.20** Member states have two years from the date of the Directive to incorporate the provisions of the Directive into their national legislation (i.e. by October 2026). The Department has been notified by the Department of Enterprise, Tourism and Employment that a working group of stakeholders will be established to aid the transposition of the Directive.

<sup>1</sup> [Directive of the European Parliament and of the Council, on improving working conditions in platform work.](#)

<sup>2</sup> While this presumption does not extend automatically to social insurance or tax classification, the Directive permits member states to separately provide for this presumption as a matter of national law.

1 The Labour Force Survey is a continuous nationwide survey of households in Ireland, primarily designed to produce quarterly labour force estimates that include the official measures of employment and unemployment in the State.

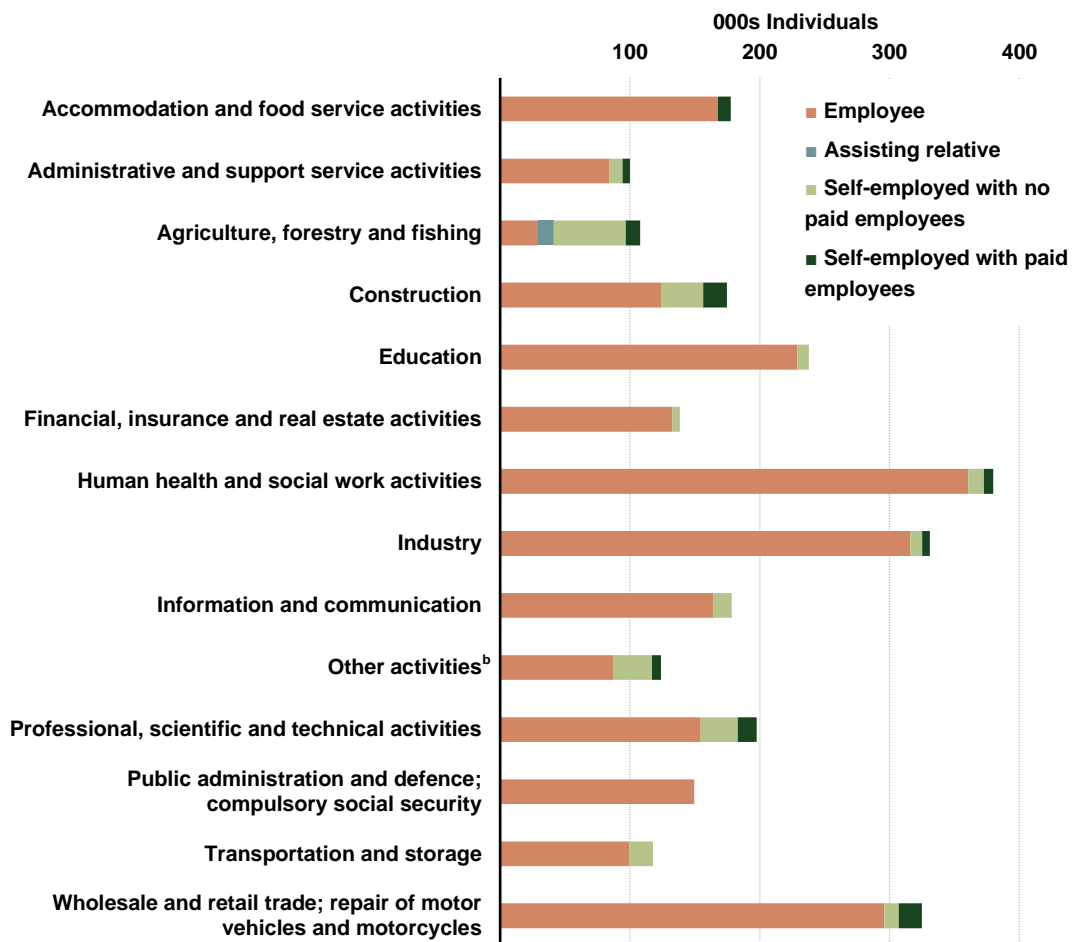
2 There are also individuals categorised as assisting a relative (0.4%).

### What is the extent of recorded self-employment in the State?

**17.21** The Central Statistics Office (CSO) provides regular estimates of the numbers in employment, and their employment status, based on quarterly labour force surveys.<sup>1</sup> At the end of 2024, the CSO estimated that over 2.74 million individuals were employed or self-employed in the Irish economy.

**17.22** The CSO data indicate that around 2.4 million individuals (87% of workers) are employees, 236,000 (8.6%) workers are self-employed with no employees, and 97,000 (3.5%) are self-employed with paid employees (see Figure 17.2).<sup>2</sup>

**Figure 17.2 Number of individuals working in the Irish economy, by sector, quarter 4 2024<sup>a</sup>**



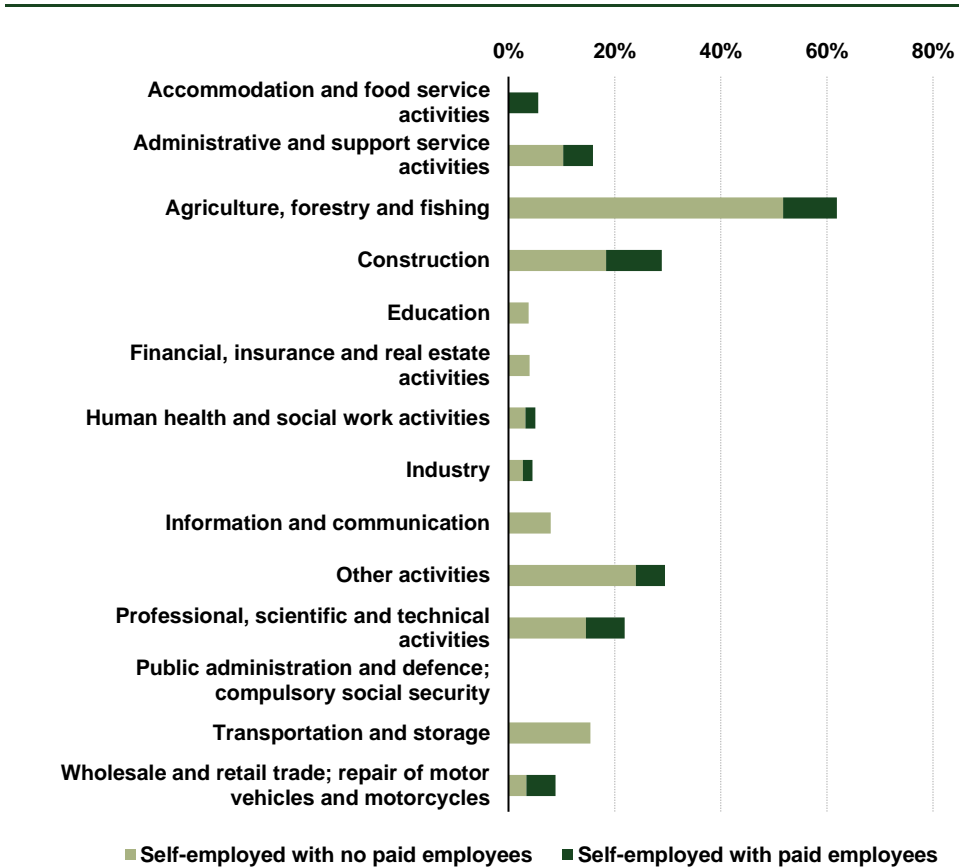
Source: Central Statistics Office. Analysis by the Office of the Comptroller and Auditor General.

Notes: a Classification is by the Nomenclature générale des Activités économiques dans les Communautés Européennes (NACE) — structure, which is the statistical classification structure for economic activities in Europe. A revised version (NACE Revision 2.1) will be used from 2025.

b Other activities encompass the NACE codes R to U: Arts, entertainment and recreation, other service activities, activities of households as employers; undifferentiated goods and services, producing activities for own use and activities of extraterritorial organisations and bodies.

**17.23** The proportion of self-employed workers is highest in agriculture, forestry and fishing (62%), but this has decreased from 71% in 2021. Other sectors with relatively high self-employment rates are construction (29%); professional, scientific and technical activities (22%); administrative and support service activities (16%) and transportation and storage (15%). The general 'other activities' category also has a relatively high proportion of self-employed individuals (29%), see Figure 17.3.

**Figure 17.3 Self-employment rates (with and without employees), by sector, quarter 4 2024**



Source: Central Statistics Office. Analysis by the Office of the Comptroller and Auditor General.

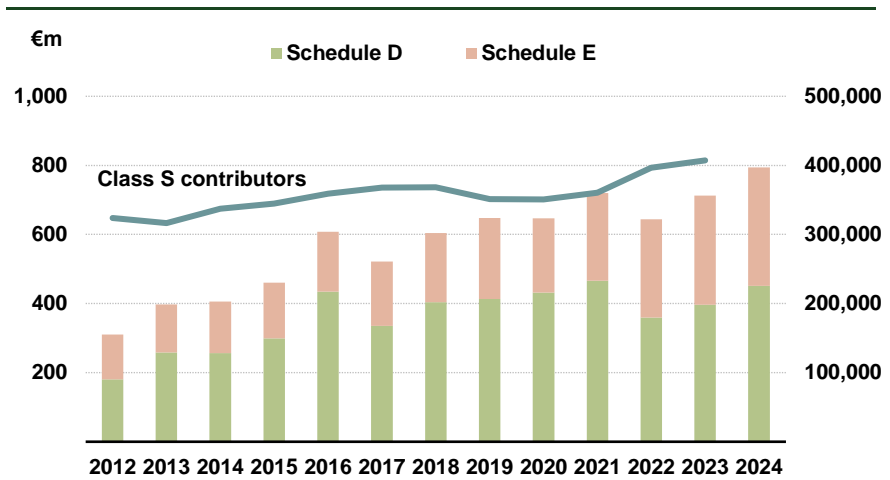
**PRSI class S contributors**

**17.24** Self-employed individuals, who have annual income of more than €5,000 per year, pay class S PRSI contributions. The earnings of certain company directors and certain local authority members also attract contributions under class S. In addition, unearned income received by taxpayers is liable for class S contributions.<sup>1</sup> The level of self-employment in the State cannot be disaggregated from the number of class S PRSI contributors.

**17.25** Class S PRSI contributors accounted for 10% of all PRSI contributors in 2023 (the latest available complete data). Reflecting the relatively lower contribution rates for class S contributors, the associated PRSI contribution receipts account for just 4.6% of all PRSI receipts collected in 2023.

<sup>1</sup> Unearned income refers for example to income from investments and rent.

**Figure 17.4 Self-employed PRSI receipts and number of Class S contributors, 2012 to 2024<sup>a,b,c</sup>**



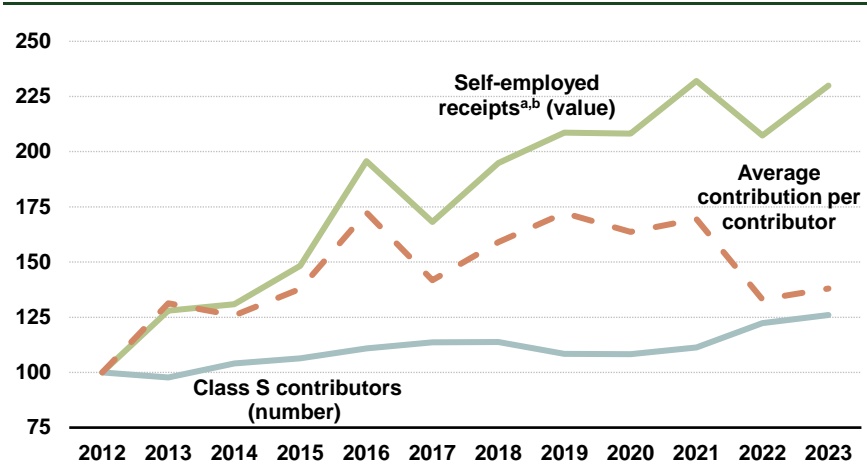
Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a Self-employed receipts were obtained from note 1 of the SIF financial statements and may include some PRSI class K receipts. The schedule E amount is based on an estimated allocation rate.
  - b Number of class S contributors is not yet available for 2024.
  - c See the *Report on the Accounts of the Public Services 2024*, chapter 24, The collection and allocation of PRSI receipts, which sets out the characteristics of Schedule D and Schedule E income.

**17.26** The number of persons classified for PRSI class S contributions increased moderately between 2012 and 2023 (see Figure 17.4). However, the increase between 2021 and 2022 was quite rapid, at 10% year-on-year. The Department considers that this was consistent with the overall rapid recovery of economic activity following Covid-19 restrictions. However, the number of class A PRSI contributors (employees) only grew by 5% in the same period. Given the same economic background, the reasons for the difference in growth rates are not clear.

**17.27** In contrast to the moderate year-by-year movements in the number of class S contributors, the PRSI income reported from class S contributions is significantly more variable (see Figure 17.5). Average contributions per contributor are also highly variable, and it is difficult to see a clear economic basis for the shifts year on year.

**Figure 17.5 Self-employed PRSI receipts and number of Class S contributors, 2012 to 2023, indexed to 2012**



Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a Self-employed contribution receipts are as reported in note 1 of the SIF financial statements.
  - b The value of self-employed contributions may include some class K contributions. It is not possible to disaggregate self-employed contribution receipts into class S and class K.

**17.28** PRSI receipts represent the amount collected by Revenue each year. This can include arrears of PRSI liabilities from prior years, preliminary estimates of PRSI due for the next year and balancing adjustments for final PRSI liabilities. The final PRSI liability for a year is not known for up to two years after the year of economic activity, due to the timing of self-employed returns.<sup>1</sup>

**17.29** The Department stated that the variability of class S PRSI receipts is impacted by

- changes to PRSI policy, such as the extension of PRSI to previously exempt income of some contributors from 2014 onwards, and
- the time-lag in receiving data from self-assessed income returns.

**Revenue self-assessment data**

**17.30** Certain individuals are required to register with Revenue for income tax self-assessment and to file a self-assessed income tax return (Form 11) each year. This includes those who are self-employed but also taxpayers who do not trade.<sup>2</sup>

**17.31** The most recent complete data available per sector relates to the 2022 tax year.

**Review of data sources**

**17.32** Information from the CSO, the Department, and Revenue provides varying indications of the level of self-employment in the State (see Figure 17.6). While the indications from the Revenue and CSO data are close – a difference of 6% – the gap to the class S contribution figure is significantly larger. The number of class S contributors includes both the self-employed and recipients of unearned income. The Department does not view class S data as an estimate of self-employment levels.

<sup>1</sup> The statutory deadline for filing income tax returns is 31 October in the year following the year of assessment. This deadline is extended to mid-November each year for self-assessed taxpayers who file and pay their tax return using revenue online services.

<sup>2</sup> For example, company directors, those in receipt of foreign investment or rental income, employees who exercise share options (until end of 2023) and employees with foreign pensions.

**Figure 17.6 Indications of self-employment levels**

State body	2022	Basis
Office of the Revenue Commissioners	318,733	Taxpayer units who have filed a self-assessed income tax return and declared either a net profit or a net loss on the form's 'self-employed income' panel. <sup>a</sup>
Central Statistics Office <sup>b</sup>	336,700	Extrapolation of data obtained from the results of the labour force survey for Q4 2022.
Department of Social Protection	396,408	Number of PRSI Class S contributors. This includes returns of unearned income in addition to self-employed income.

Source: Department of Social Protection, Office of the Revenue Commissioners and the Central Statistics Office.

- Notes:
- a A taxpayer unit can refer to an individual taxpayer or a married couple who are jointly assessed for tax purposes.
  - b As the latest complete data from Revenue self-assessed returns is from 2022, CSO and Department PRSI data for the same period was used.

- 17.33** The Revenue and CSO data can be disaggregated by economic sector, allowing for the data to be compared at that level. The Department receives data regarding the economic sector of PRSI contributors from Revenue. However, the NACE sector information for many of the PRSI class S contributions is 'unclassified' or 'unknown'. It is the Department's understanding that this mainly relates to sole traders or farmers who do not have a NACE code specified with Revenue.
- 17.34** In addition, class S contributors making returns in respect of pension and investment incomes are associated with the financial sector. Therefore, the number of self-employed workers in that sector cannot be determined.
- 17.35** The absence of complete and reliable information on the number of self-employed individuals per sector may hinder the Department's ability to carry out accurate risk analysis and to plan effectively targeted compliance activity.
- 17.36** The Department has stated that, as its compliance work is focused on PRSI class, the data available in relation to PRSI class S contributors is sufficient to carry out risk analysis and target its compliance activity in this area.

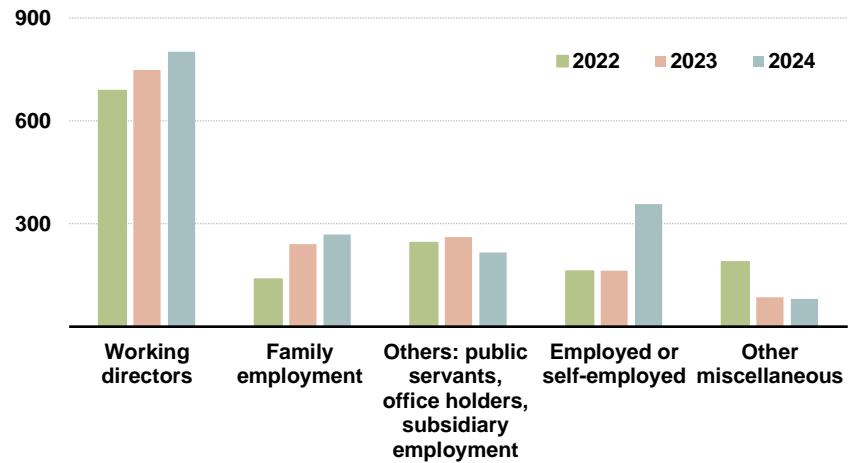
## PRSI classification determinations

### Scope Section decisions

- 17.37** The Department's Scope Section deals with all decisions relating to PRSI insurability including employment status queries for company directors, family employments, partnerships, civil and public servants and office holders. The Scope Section deals with employers and workers, or their representatives, who may apply to have an employment investigated to make sure that the correct PRSI class is applied.

**17.38** The Scope Section decided over 1,700 cases in 2024 in total, an increase of 15% over 2023 (1,499 cases), see Figure 17.7.

**Figure 17.7 Scope Section decisions 2022 – 2024**



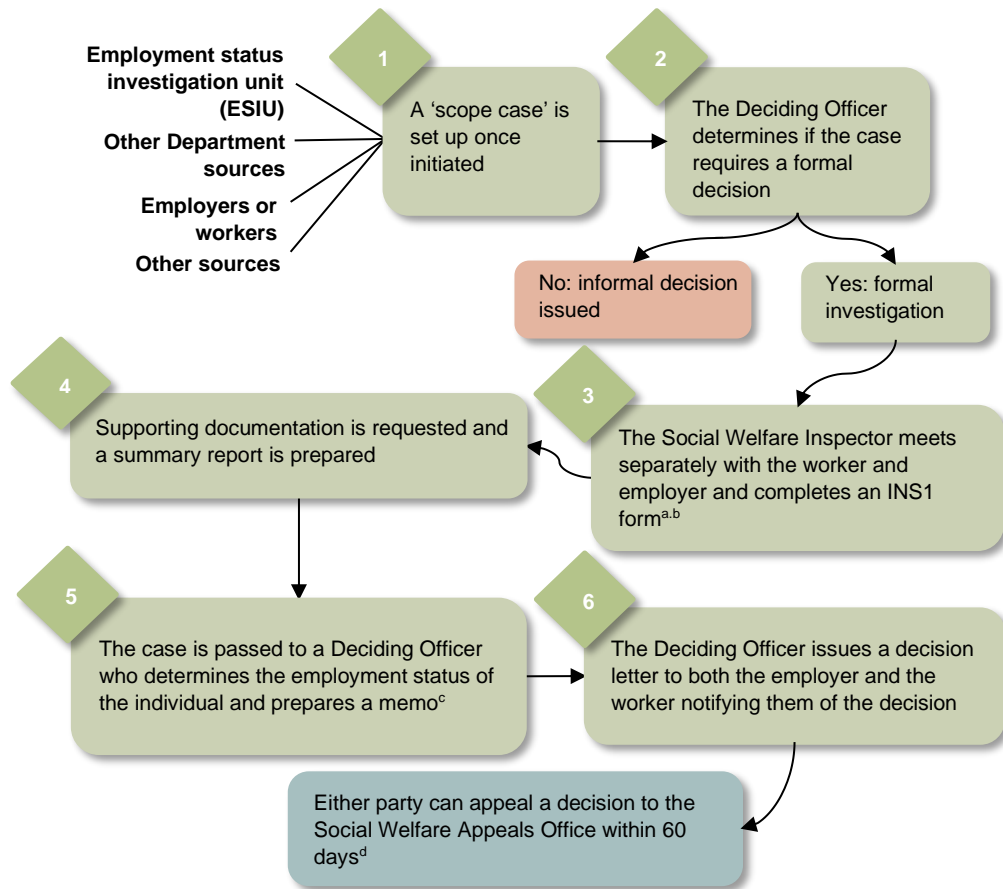
Source: Department of Social Protection

*Employed or self-employed status decisions*

**17.39** Scope Section decisions on a worker’s employment status are made on a case-by-case basis, taking account of the particular circumstances of the case, relevant legislation, case law and the Code. Figure 17.8 outlines the decision process.

**17.40** Most of the employment status cases that the Scope Section decides upon result in class A or class S classifications. A ‘class A’ outcome is where the Scope Section decided a worker should be classified as an employee for PRSI purposes and pay PRSI at the class A rate. This can either be confirmation of employment status where the worker was already classified as class A, or a change of classification to class A. In 2024, 357 cases determined – formally or informally – related to class A or class S status.

**Figure 17.8 Scope Section decision process**



Source: Department of Social Protection. Compiled by the Office of the Comptroller and Auditor General.

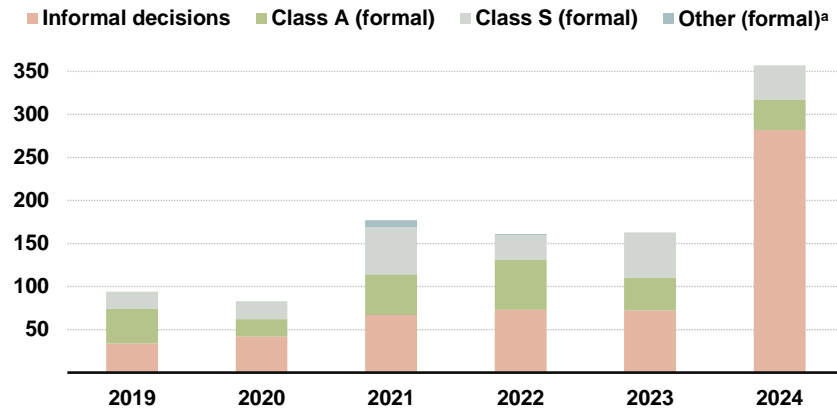
- Notes:
- a The INS1 is the 'form for determination of employment or self-employment' that documents key factors regarding an individual's working arrangements.
  - b This step will already be completed by the ESIU Social Welfare Inspector where the case is initiated by the ESIU. The completed INS1 form is made available to the Deciding Officer.
  - c A new template has been prepared based on the five-step framework (see Figure 17.1) outlined in the Karshan case and the Code. This template is used when preparing the memo.
  - d This was previously 21 days. It was increased to 60 days from April 2025 under SI 744 of 2024 Social Welfare (Appeals) Regulations 2024.

**17.41** In addition to formal employment determination decisions, the Scope Section also makes informal decisions, without a full investigation. Informal decisions occur when either the current class is confirmed as correct, or a reclassification occurs with agreement of the parties. A full scope review can be requested by either the employer or the worker if they are dissatisfied with the informal decision.

**17.42** The number of informal decisions issued increased significantly in 2024. (See Figure 17.9). The majority of these decisions (217 of 282) related to informal decisions arising from a review of the employment status of workers at RTÉ.<sup>1</sup>

<sup>1</sup> The Department stated that over 500 employment status investigations relating to workers at RTÉ have been finalised, and a total of €3.8 million has been paid in PRSI arrears. Over 150 cases are on-going.

**Figure 17.9 Class A v Class S decisions and outcomes, 2019 – 2024**

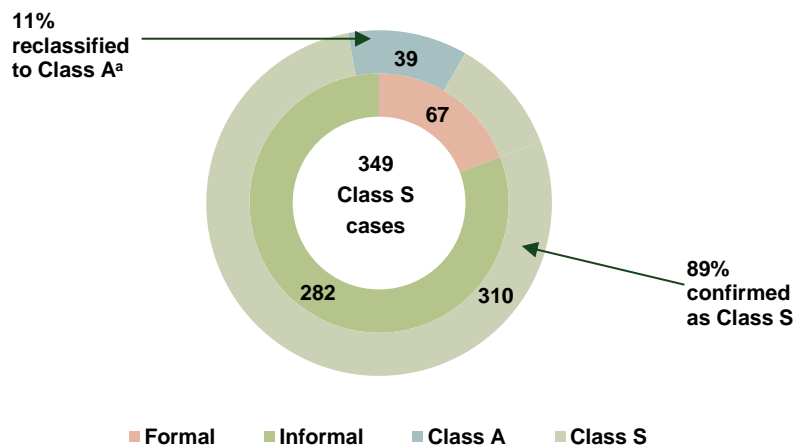


Source: Department of Social Protection

Note: a Other relates to formal decisions where another PRSI class is determined.

- 17.43** The examination team reviewed a sample of Scope Section cases that were decided in 2024 and found that documentation and the rationale for decisions made was retained and accessible on the IT system. However, for cases that did not proceed to a formal decision, it was difficult to identify the basis for the decision not to proceed from the documentation on file.
- 17.44** The Department stated that this is an appropriate approach which supports timely decision making in cases that are considered 'clear-cut', given that an affected person (employer or worker) who is dissatisfied with the outcome can seek a formal decision.
- 17.45** Of the 357 employment status decisions made in 2024, the majority were originally classified as Class S (349 cases). 11% of these resulted in a reclassification, and 89% were confirmed as Class S (see Figure 17.10).

**Figure 17.10 Outcome of Scope Section PRSI Class S cases, 2024**



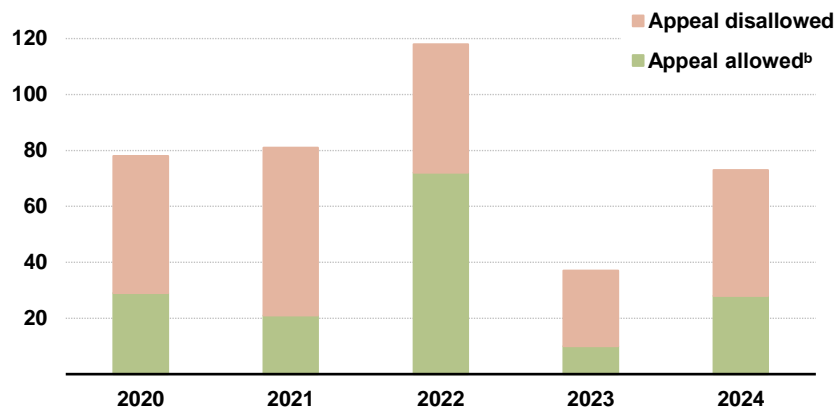
Source: Department of Social Protection

Note: a Includes one case which was reclassified to PRSI class J.

## Appeals

- 17.46** Formal decisions by the Scope Section can be appealed to the Social Welfare Appeals Office by the worker or the employer.<sup>1</sup> In the period 2020 – 2024, an average of 77 Scope Section decisions were appealed annually to the Appeals Office (see Figure 17.11).
- 17.47** Appeal outcome data is difficult to interpret. Appeal outcome information is not collated on the number of cases relating specifically to a determination of PRSI class. The outcomes are generally collated and published on the basis of whether or not the appeal was allowed (in full or in part) or has been disallowed. However, the appeal could be taken by an employer or employee, and could be contesting a decision of a PRSI classification change or confirmation.

**Figure 17.11 Scope Section appeals allowed and disallowed<sup>a</sup>**



Source: Department of Social Protection

- Notes:
- a This includes appeals in relation to modified contributions (SI 312 of 1996), excepted employment, voluntary contributions and missing contributions in addition to those relating to self-employment.
  - b An allowed appeal includes cases where the appeal is allowed, partially allowed, or a revised decision has been made by the scheme area.

<sup>1</sup> Under the [Social Welfare \(Appeals\) Regulations 2024](#), any person who is dissatisfied with a formal decision of a deciding officer can appeal that decision within 60 days of the decision date.

<sup>2</sup> The ESIU deals with all PRSI misclassifications. For example, in addition to class A/class S cases, the ESIU carried out a project in 2024 to review the classification of individuals as class M within a partnership from 2009 – 2024.

<sup>3</sup> Social welfare inspectors are appointed under section 250 of the [Social Welfare \(Consolidation\) Act 2005](#).

## Compliance activity to address the risks of misclassification of employment status

- 17.48** The Department has taken a number of steps specifically to address the risk of PRSI misclassification of workers and to allow for more targeted investigations to be carried out.

### Employment Status Investigation Unit

- 17.49** The Employment Status Investigation Unit (ESIU) was established in 2019 and is dedicated to investigating PRSI misclassification.<sup>2</sup> The Unit has grown significantly since 2019, when there were six social welfare inspectors assigned to the Unit. There are now 18 social welfare inspectors assigned to the Unit, located across all the Department’s regions.<sup>3</sup>
- 17.50** While the Scope Section investigates cases on request or notification, the ESIU proactively carries out compliance activity to determine if there are any particular areas or sectors where misclassification may be occurring.

**17.51** An ESIU social welfare inspector can inform an employer if s/he believes a PRSI reclassification should be made. Should the employer or worker disagree, they can request that a formal decision is made by the Scope Section. The ESIU will also typically refer any cases that are unclear or more complex to the Scope Section. The ESIU referred 68 cases to the Scope Section in 2024.

*ESIU projects and investigation process*

**17.52** The Department stated that the ESIU adopts a project-based approach to selecting cases for investigation. Projects can be selected based on issues noted from reviews or from notifications from other units or stakeholders.

**17.53** A project can focus on a particular employer or industry type. An ESIU team can visit an identified employer site (announced or unannounced) and request a list of contractors. Alternatively, a sample of cases may be selected across a range of locations for a particular industry type.

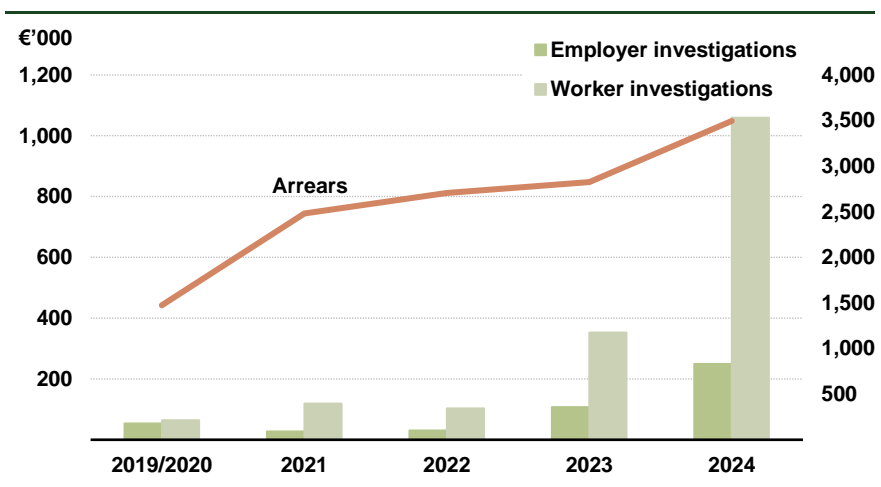
**17.54** The ESIU team will generally review a sample of 10% of staff of an employer, or 10% of employers of a particular selected industry per region, to give an indication of whether the correct PRSI classification is being applied. This will determine if further investigation is required.

**17.55** ESIU investigations are opened and progressed on the Department’s workflow system with details of individual cases and investigation status recorded. An internal statistics spreadsheet is used as the primary tool to monitor the status of cases at an overall level, and from which the unit numbers and data are derived.

*Compliance activity of the ESIU*

**17.56** The Department has stated that from its formation in 2019 to the end of 2024, the ESIU has reviewed over 1,500 businesses and over 5,600 workers. The activity level and the amount of arrears recorded have increased, with over €1 million in PRSI arrears identified in 2024 (see Figure 17.12).

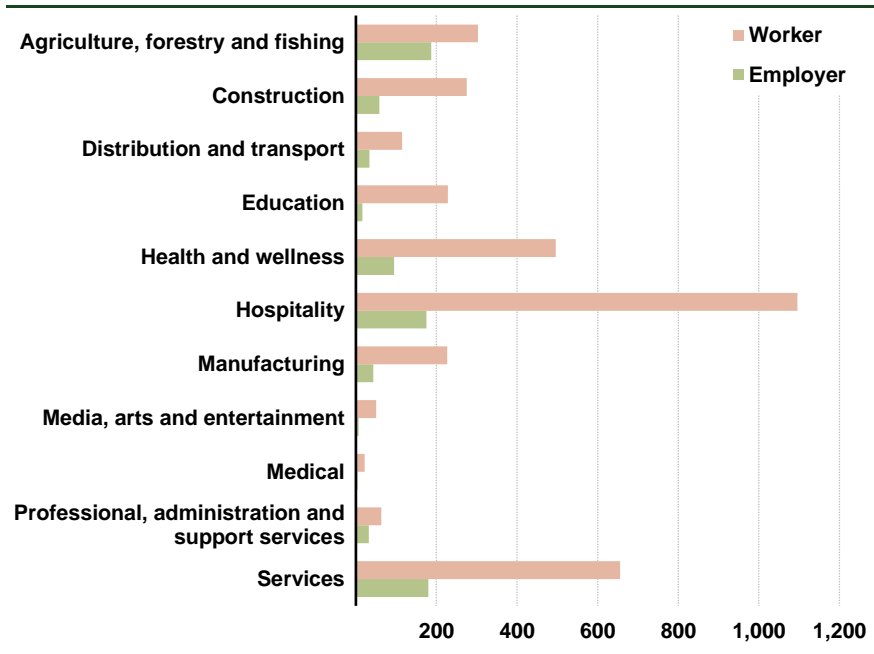
**Figure 17.12 ESIU investigations finalised, and arrears recorded, 2019 – 2024**



Source: Department of Social Protection

**17.57** During 2024, the ESIU opened cases in relation to 831 employers and 3,531 employees across 11 different industry sectors. Figure 17.13 provides a breakdown of cases opened by sector in 2024.

**Figure 17.13 ESIU investigations opened, by sector and employment status, 2024<sup>a</sup>**



Source: The Department of Social Protection

Note: a Although the breakdown of sectors was updated by the ESIU in 2022 to more closely align with the NACE classification, some differences remain.

**17.58** ESIU investigations were completed for 724 employers and 3,373 employees in 2024, resulting in 379 reclassifications of employees (11%). Most of the reclassifications in 2024 were from class M (nil contributions) to class A (348) as a result of a project which focused on partnerships. Six cases were reclassified from class S to class A.

**17.59** This examination included a review of a sample of 25 ESIU cases that were closed in 2024 across different sectors and categories. It was noted that adequate documentation was maintained on the file in most cases, in particular in cases where a re-classification was required or where the case was sent to the Scope Section. However, where a decision was not recorded or no reclassification had taken place, there was a lack of documentation on file to support or explain the outcome.

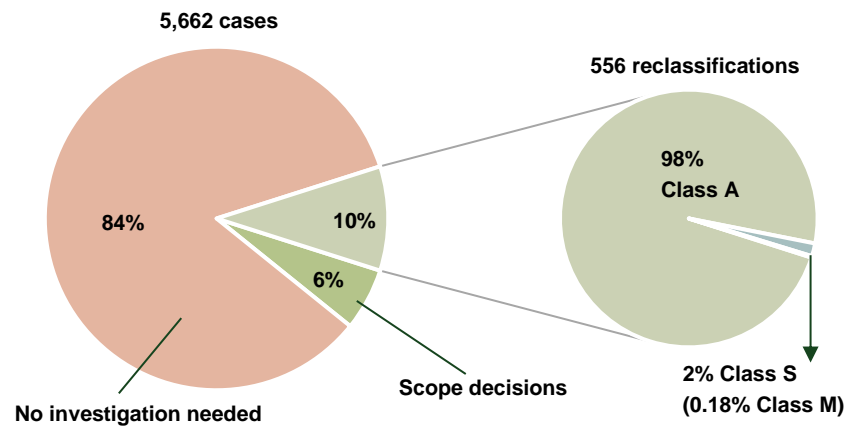
**17.60** Although the guidance material for ESIU staff sets out a list of checks to be completed as part of the initial assessment, it is difficult to ascertain, from the information retained on the files, if these checks had in fact been completed. It is also difficult to trace the employment status decision from original class to revised class from the information retained on the Unit's IT system.

**17.61** The Department has stated, that similar to the position for informal scope section cases, this is an appropriate approach, as a formal decision can be sought in all cases.

*ESIU reclassification process and arrears*

- 17.62** During the course of an investigation, an employer may agree to accept the assessment of the ESIU and transfer misclassified workers without the requirement of a Scope Section decision.
- 17.63** From 2019 to the end of 2024, ESIU inspectors concluded that a reclassification or a formal decision was not required in relation to 84% of the employments they selected for review. They recommended 556 employees (10%) be reclassified (see Figure 17.14). Of these, 546 were reclassified as class A, with 154 of these transferred from class S (self-employed) to class A (employee). The remaining 6% of cases were referred to Scope Section for a formal decision.

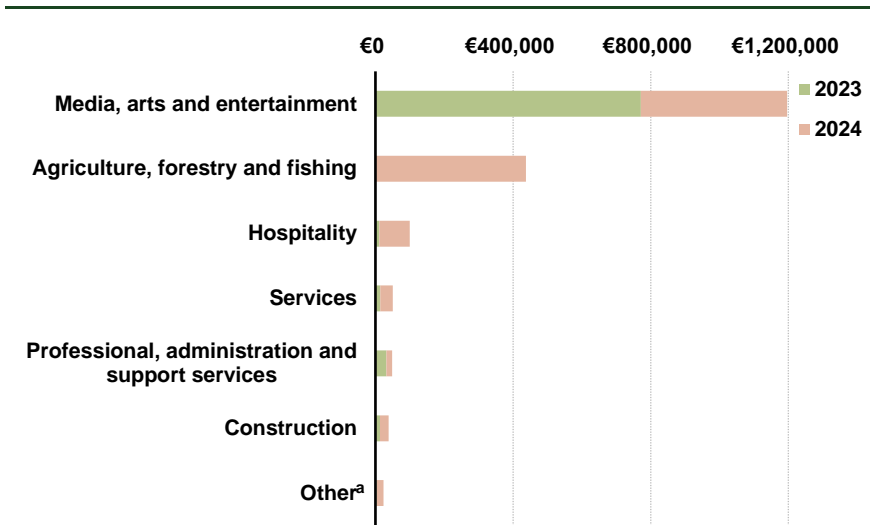
**Figure 17.14 ESIU compliance activity outcomes, 2019 – 2024**



Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

- 17.64** Total arrears identified by ESIU investigations in 2023 and 2024 amounted to €1.9 million. The media, arts and entertainment sector accounted for almost €1.2 million arrears, or 63% of the total amount, see Figure 17.15. The sector also showed the highest average arrears per case (€21,748 average across 55 cases).

**Figure 17.15 PRSI arrears by sector, 2023 and 2024**



Source: Department of Social Protection

Note: a Other includes distribution and transport, health and wellness, education, medical and manufacturing.

**17.65** When arrears are due, the ESIU issues a compliance notice to the employer with a breakdown of the arrears due. The social welfare inspector manually calculates this amount.

1 Arrears can also be collected by the Department directly.

**17.66** Revenue is the collecting agent for the majority of PRSI contributions, including for arrears of contributions from employers arising from the reclassification of workers.<sup>1</sup>

2 Since the introduction of the 'Pay As You Earn' (PAYE) income tax modernisation project in 2019. For the period from 1 January 2019 onwards, Revenue can collect when employers do self-correct their payroll submission(s) to reflect the Department's decision.

**17.67** It is the responsibility of the employer in the first instance to deduct the correct income tax, universal social charge (USC) and PRSI for their employees and to rectify any errors. When a PRSI liability is identified by the Department, the employer is advised to self-correct their payroll submission record through Revenue Online Services and pay the amount due. In cases where the employer does not self-correct, the Department informs Revenue of the PRSI class amendments and the amount of additional PRSI due.

3 Where additional liabilities are identified by a Department inspector, Revenue does not have the legislative power to raise a revenue assessment. Revenue's procedure in such cases is to acknowledge receipt of referral and to confirm to the Department that Revenue cannot amend the record for tax periods commencing after 2019.

**17.68** Revenue has stated that, since 2019, and in line with legislation, its staff no longer amend or correct payroll records for employers for tax periods commencing on or after 1 January 2019.<sup>2,3</sup> Therefore, a PRSI liability is not raised by Revenue for arrears due in cases where the employer does not self-correct the record. Revenue stated that the number of such cases is relatively small, with a low level of arrears identified for collection. There were three cases identified in 2024, with a total value of €27,480.

### ***Compliance activity — coverage, reporting and impact***

- 17.69** The Department has stated that there is no estimate available of the total potential loss of PRSI contributions due to the misclassification of employment status within the State. Due to the individual nature of each case and the range of industry sectors, such an estimation is not considered feasible.
- 17.70** While there has been a large increase in the number of sectors investigated by the ESIU in recent years, these were generally targeted reviews, and a completely random approach is not adopted. A programme of random reviews of PRSI classification would enable the Department to establish reliable estimates of the extent of misclassification of employment status and of the associated lost contributions to the SIF.<sup>1</sup>
- 17.71** The Department has stated that a completely random selection process would be inefficient as it would include sectors where the incidence of misclassification is likely to be extremely low. It also stated that the most efficient approach is to obtain as much data as possible by covering a wide range of industries, sectors and geographical locations.
- 17.72** Through its compliance activity in this area since 2019, the Department has reported low levels of non-compliance and found that where misclassification is identified, it is usually due to a misinterpretation rather than deliberate misclassification.
- 17.73** The Scope Section reports details of the decision clearance rate and results against a performance target on a monthly basis. In contrast, there is no similar formal reporting by the ESIU. The Department stated that each ESIU inspector has an individual target which is monitored and that ESIU annual targets are agreed with the Department's control division as part of the annual control and savings targets. It was also stated that ESIU activity is reported and recorded by the control division as part of its monthly reports and reported to the management board on a quarterly basis.
- 17.74** The ESIU section allows for more targeted cases to be passed to the Scope Section for decision. However, the decision is made by Deciding Officers who are required, by law, to act independently in the exercise of their functions.
- 17.75** The PRSI arrears recorded (as a result of ESIU cases) have increased each year since 2019, with almost €3.9 million recorded until the end of 2024 from 5,662 individual cases. The Department has stated that €2.3 million (59%) had been fully recovered as at the end of 2024 and that there are recovery plans in place for the greater part of the balance.

### ***Misclassification compliance work outside of the ESIU***

- 17.76** In addition to the ESIU staff, around 340 other social welfare inspectors operate in other units across the Department. Where social welfare inspectors conduct employment status investigations, their reports are submitted to the Scope Section for decision. Where a local investigation becomes complex or is likely to result in a larger scale project, the social welfare inspector may request the ESIU to investigate.

<sup>1</sup> See [Report on the Accounts of the Public Services 2021, chapter 14, Classification of workers for PRSI purposes.](#)

## Revenue compliance activity

- 17.77** Following the Karshan judgment, Revenue published updated guidance setting out the key elements of the judgment and its implications for businesses engaging employees, workers, contractors or sub-contractors. Revenue operates a risk-based approach to compliance management. Taxpayers are selected for compliance intervention using various risk-driven methodologies including Revenue's risk evaluation and profiling system.<sup>1</sup> Revenue stated that the nature of any intervention carried out is based on the specific risks identified, and the behaviour of the taxpayer concerned.
- 17.78** Revenue undertakes significant 'outdoor visits' under the remit of its Joint Investigations Unit.<sup>2</sup> From 2022 to March 2025, there were over 12,000 outdoor visits across multiple sectors. As a result of the visits undertaken, 1,402 workers were identified as (previously) unregistered, and 34 workers were reclassified as employees.
- 17.79** Revenue stated that 3,500 visits were made to construction sites, with interviews held with 7,893 workers. Of these, 210 workers (2.7%) were identified as unregistered, and 19 workers (0.2%) were reclassified as employees. Revenue has stated that similar data for visits to other sectors will be available for the year 2025 and onwards.
- 17.80** In November 2023, Revenue established a Cross-Divisional Shadow Economy Steering Group.<sup>3</sup> This provides a forum for improved collaboration across divisions within Revenue in relation to its approach to the risk of shadow economy activity.

## Conclusions and recommendation

- 17.81** Misclassification of employment status can result in the individual not receiving the social insurance benefits to which they are entitled and in lost contributions to the Social Insurance Fund. Classification of a worker for PRSI purposes in class A (required for most employees) or in class S, which covers most self-employed individuals, can result in significantly different amounts being contributed to the Fund.

### *Evolving definitions of employment status*

- 17.82** There is no formal definition of an employee or self-employed worker in Irish or EU legislation. However, a framework to determine the employment status of a worker has been developed from case law.
- 17.83** The *Code of Practice on Determining Employment Status* provides guidance to employers and individuals as to the factors that are considered when making a determination. The Code was updated in 2024 and sets out the current framework to follow, based on the 2023 judgment of the Supreme Court in the Karshan case.
- 17.84** The formats under which workers are engaged are changing as a result of the development of online technologies. This includes, in particular, the development of 'platform' workers. Legislation at both EU and national level is changing in response to those changes.

<sup>1</sup> See [Report on the Accounts of the Public Services 2023, chapter 20, Ensuring taxpayer compliance.](#)

<sup>2</sup> The role of the Revenue Joint Investigations Unit is to carry out compliance interventions into tax and PRSI non-compliance and fraud, which includes the employment status of workers, and to address sectors where information suggests shadow economy activity exists. The unit works regularly with the Department.

<sup>3</sup> Members are recruited from all operational divisions as well as from Revenue's Personal Taxes Policy and Legislation Division and the Accountant General's and Strategic Planning Division.

### ***Understanding trends in employment status and earnings***

- 17.85** The key risk to complete collection of PRSI contributions requires the Department to ensure that workers incorrectly classified as class S (with lower total social insurance contribution rates) are identified quickly and reclassified to the correct higher-rate class (mainly class A). Misclassification of workers for PRSI purposes on a significant scale could also distort competition in certain economic sectors.
- 17.86** The Department receives PRSI data from Revenue, including economic sector information. Due to the limitations of the data available, the Department is unable to analyse class S receipts by employment status of the contributor, by income type (earned or unearned), or by sector in which class S contributors work. Revenue, which collects most PRSI contributions, has more extensive information on the economic sectors in which taxpayers are principally engaged.
- 17.87** The Department carries out PRSI contribution compliance activity targeted at certain economic sectors. For this to be meaningful and effective, it should be based on informed risk analysis, underpinned by an accurate understanding of the level of self-employment in each sector.
- 17.88** Better statistical data about class S contributions would allow the Department to undertake improved analysis of trends and risk assessment, and to plan more effective targeted employment status compliance activity. It would also support more transparency around class S contribution receipts.

#### **Recommendation 17.1**

For analytic purposes, and to help target compliance activity, the Department should examine the scope for receiving more complete information on the economic sectors, the source and the type of income giving rise to class S PRSI contributions.

#### **Accounting Officer's response**

Agreed.

The Department will continue to work closely with the Revenue Commissioners through existing engagement structures, like the High-Level Group, to examine the scope to exchange more detailed information on the source and type of income giving rise to class S PRSI contributions.

#### **Timeline for Implementation**

Q3 2026.

### ***Compliance-focused activity***

- 17.89** The Employment Status Investigation Unit (ESIU) was established in 2019 and is dedicated to investigating the social insurance classification of workers. The activity of the unit has increased steadily, with 831 employer and 3,531 individual cases opened in 2024, across 11 industry sectors. The number of ESIU reclassifications resulting from those reviews was significant — 11% of employees reviewed in 2024 were reclassified to class A, which has the highest contribution level.

- 17.90** The total PRSI arrears identified by ESIU investigations, from its inception to year-end 2024, was €3.9 million. The Department has stated that €2.3 million of the arrears identified has been collected as at the end of 2024.
- 17.91** Revenue's online system is set up, in line with legislation, for the employer to take responsibility to amend their record (and pay any arrears) when an underpayment is identified. In line with legislation, payroll submissions can only be amended by the employer. Where this does not happen, Revenue cannot collect the liability identified by the Department following reclassification. However, the liability can be pursued and collected by the Department.
- 17.92** ESIU investigations are opened and progressed on the Department's workflow system. Statistics on the status of ESIU cases are manually tracked and recorded using an Excel spreadsheet. The recording of information on a standalone spreadsheet, which is not integrated into any system, may result in errors or loss of information.
- 17.93** The Department's Scope Section deals with all decisions relating to PRSI insurability including determination of employment status. The investigation is stored on the Department's IT system. Adequate documentation and rationale for decisions were clearly identifiable in most formal cases reviewed by the examination team. However, for both ESIU and Scope Section cases, when an investigation was not undertaken or no change was made (which accounts for the majority of cases), it is more difficult to understand the reasoning for this from the information recorded on the system.

**Annex 17A PRSI classes and contribution rates (from October 2024)**

<b>PRSI class</b>	<b>Description</b>	<b>Individual rate<sup>a</sup></b>	<b>Employer rate<sup>a</sup></b>
<b>A</b>	Persons aged between 16 years and the pension age which is currently 66, who are employed under a contract of service and have reckonable pay of €38 or more a week from all employments as well as public and civil servants recruited from 6 April 1995. <sup>b</sup>	4.10%	11.15%
<b>B</b>	Permanent and pensionable civil servants, registered doctors and dentists employed in the civil service and Gardaí recruited prior to 6 April 1995.	4.10%	2.11%
<b>C</b>	Commissioned officers of the Defence Forces and members of the Army Nursing Service recruited before 6 April 1995.	4.10%	1.95%
<b>D</b>	Permanent and pensionable employees in the public service, other than those mentioned in Classes B and C, recruited before 6 April 1995.	4.10%	2.45%
<b>E</b>	Ministers of Religion employed by the Church of Ireland Representative body. PRSI is paid under the Special Collection System of the Department of Social Protection. <sup>c</sup>	3.43%	6.97%
<b>H</b>	Non-Commissioned Officers (NCOs) and enlisted personnel of the Defence Forces.	4%	10.45%
<b>J</b>	This relates to most people with reckonable pay of less than €38 a week from all employments. However, a small number of employees are insurable at Class J no matter how much they earn. <sup>d</sup>	Nil	0.60%
<b>K</b>	Certain public office holders, where their income is over €5,200 a year.  Modified rate contributors (for example civil and public servants recruited prior to 6 April 1995) with self-employed earned income from a profession or a trade and any other unearned income are liable to PRSI at Class K on that income. Employed contributors and occupational pensioners, under pensionable age, currently 66 years, whose only additional income is unearned income may be liable to PRSI on such income at Class K.	4.10%	Nil
<b>M</b>	Class M relates to people with a nil contribution liability.	Nil	Nil
<b>P</b>	This relates to share fishermen and fisherwomen who are classified as self-employed and who already pay PRSI under Class S. Class P is an optional contribution and gives access to limited jobseeker's benefit, limited illness benefit and treatment benefit.	4.10%	N/A
<b>S</b>	This relates to self-employed people, including certain company directors, certain people with income from investments, rent and certain local authority members.	4.10%	N/A

Source: Department of Social Protection

- Notes:
- a This is the maximum rate payable. The actual rate is dependent on the amount of weekly gross pay. There are a number of subclasses within each class who may pay a lesser rate. Rates are due to increase from 1 October 2025.
  - b Also includes those born on or after 1 January 1958 aged between 66 and 70 years who have not been awarded the State Pension (Contributory).
  - c The Special Collection System is for employers who operate a foreign payroll with no access to an Irish payroll and for non-PAYE employees who do not hold PAYE exclusion orders. PRSI contributions are paid directly to the Department of Social Protection.
  - d Employees born before 1 January 1958, or people over pensionable age (66 years) and in receipt of State Pension (Contributory), or people over aged 70 years and those included in subsidiary employment.

**Annex 17B Summary of benefits in 2024 for the main PRSI classes**

Benefit/class	A	D	H	J	K	M	S
Adoptive benefit	✓		✓				✓
Benefit payment for 65 year olds	✓		✓				✓
Carer's benefit	✓	✓	✓ <sup>a</sup>				✓ <sup>b</sup>
Guardian's payment (contributory)	✓	✓	✓				✓
Health and safety benefit	✓		✓				
Illness benefit	✓		✓				
Invalidity pension	✓		✓				✓
Jobseeker's benefit	✓		✓				
Jobseeker's pay-related benefit (from 31 March 2025)	✓		✓				
Jobseeker's benefit self-employed							✓
Maternity benefit	✓		✓				✓
Occupational injuries benefit	✓	✓		✓		✓ <sup>c</sup>	
Parent's benefit	✓	✓	✓				✓
Partial capacity benefit	✓		✓				✓
Paternity benefit	✓		✓				✓
State pension (contributory)	✓		✓				✓
Treatment benefit	✓		✓ <sup>a</sup>				✓
Widow's, widower's or surviving civil partner's (contributory) benefit	✓	✓	✓ <sup>a</sup>				✓

Source: Department of Social Protection

Notes: a Paid during service.

b From 1 January 2025.

c Occupational injuries benefit is available to those insured under class M, in certain circumstances.

## Annex 17C Examples of different treatment for PRSI and income tax purposes

- **Sub-postmasters and social welfare branch office managers** — there has been an agreement in place since 1979 between the Department, An Post and the Post Master's Union, that postmasters are insured at PRSI class A (employees). However, for tax purposes, postmasters are recognised as schedule D/self-employed. An Post remits postmaster's PRSI directly to the Department, while the postmasters themselves file annual returns of income (profits) to Revenue for the collection of tax. A similar situation exists in relation to Social Welfare branch office managers.

In May 2025, Revenue updated its guidance on the income tax and PRSI treatment of individuals who are engaged as sub-postmasters and as social welfare branch managers. For income tax purposes, the guidance requires An Post and the Department (as 'employers') to apply the revised five-step framework to determine the employment status of sub-postmasters and branch managers. If it is determined that such workers are self-employed for tax purposes, then the income should be returned as self-employment income.

- **Home tutors** — The Department of Education and Youth has an administrative agreement with Revenue for home tutors. While the tutors are subject to class S PRSI (self-employed), income tax and PRSI are deducted under the PAYE system (employee). The tutor only files an income return if s/he is in receipt of other income.

In April 2025, Revenue updated its guidance on the taxation of payments made to home tutors. References to specific PRSI classes were removed and a note was added to confirm that the Department is responsible for determining PRSI classes.

- **Coroners** — From a Revenue perspective, all payments to coroners which arise in their capacity as office holders are chargeable to income tax under schedule E. Payments are subject to deductions at source under the PAYE system (employee). The Department considers that a coroner is an 'office holder', under PRSI class M and therefore the PRSI liability is nil.

Source: Department of Social Protection and the Office of the Revenue Commissioners



# 18 Management of redundancy and insolvency payment scheme debts

**18.1** The Department of Social Protection (the Department) oversees the provision of income support and other social services under a wide range of schemes. These include the redundancy payment scheme and the insolvency payment scheme, which are funded through the Social Insurance Fund (SIF).<sup>1</sup>

- The Redundancy Payments Acts 1967 (as amended) requires employers to compensate workers for the loss of their jobs by reason of redundancy. The redundancy payment scheme operates under the provisions of the Act to ensure that employees receive their statutory entitlements in circumstances where the employer is unable or unwilling to make the payment.
- The insolvency payments scheme operates under the Protection of Employees (Employers Insolvency) Act 1984 (as amended) to pay outstanding wage-related entitlements due to employees in the event of the insolvency of their employer.

**18.2** The Department manages the schemes under an agency agreement with the Department of Enterprise, Tourism and Employment which, since October 2020, has policy and legislative responsibility for the redundancy and insolvency payment schemes.

**18.3** Together, these payment schemes accounted for expenditure from the SIF of almost €31 million in 2024. The amount paid by the Department under either of these schemes is automatically recorded as a debt due from the relevant employer to the SIF. The Department seeks to recover the debt from the debtor (employer). An overview of the principal features of the redundancy and insolvency payment schemes is set out in Annex 18A.

<sup>1</sup> These schemes operate to fulfil Ireland's obligations under [EU Directive 2008/94/EC](#), which requires member states to guarantee certain employee entitlements in case of employer insolvency.

**18.4** The examination was undertaken

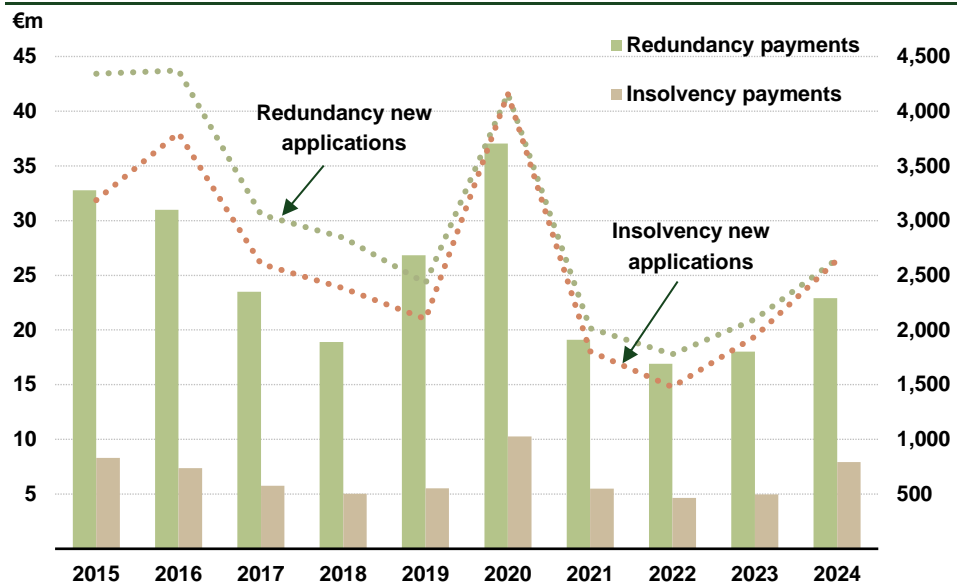
- to identify trends arising from redundancy and insolvency payment schemes, and
- to assess the Department's debt management, recovery and write-off processes for these schemes.<sup>2</sup>

<sup>2</sup> The Covid-19 related lay-off payment scheme was excluded from this examination as the payments made under this scheme do not give rise to a debt liability for the employer. The scheme was introduced in April 2022 to compensate employees (when being made redundant) for time spent on temporary layoff due to Covid-19 restrictions. Cumulative payments of €1.7 million have been made under the lay-off scheme up to end-2024.

**18.5** The examination reviewed key documents and data produced by the Department and interviewed relevant members of Department staff. The examination also reviewed a sample of outstanding employer debts and debts written off in 2024 to assess compliance with the Department's debt management policy and procedures.

## Analysis of scheme expenditure

**18.6** In 2024, €22.9 million was paid under the redundancy payment scheme, and €7.9 million was paid under the insolvency payment scheme (see Figure 18.1).

**Figure 18.1** Number of new applications received and value of redundancy and insolvency payments made by the Department, 2015 to 2024<sup>a</sup>

Source: Department of Social Protection

Note: a A new application is generated for each employee. An application can be for a lump sum payment entitlement (redundancy) and/or a pay-related entitlement (insolvency). An insolvency application/payment may contain several components (for example arrears of wages or holiday pay).

**18.7** Both schemes are demand-led and liable to impacts resulting from economic factors. This can result in significant fluctuations in the number of applications and expenditure.<sup>1</sup> Also, as the schemes involve once-off payments based on the individual circumstances of each applicant, the correlation between the amount of expenditure and the number of payments can vary significantly.

**18.8** Applications for both schemes have been trending upwards since 2022. The number of new applications for the redundancy payment scheme has increased by almost 50% in the last two years. New applications for the insolvency scheme increased by 80% in the same period.

**18.9** The Department has stated that measures taken to support businesses from the impact of Covid-19 influenced the number of claims received in the period 2020 to 2023. The increase in applications in recent years is broadly in line with pre-Covid-19 trends, relative to economic activity and employment levels.

**18.10** In 2024, 714 employers had scheme payments made on their behalf by the Department with a corresponding SIF debt raised. Of these employers, 10% (71) are responsible for over 50% of the total expenditure on redundancy and insolvency payments in 2024.

**18.11** The largest redundancy scheme payment made by the Department in 2024 on behalf of an employer amounted to €567,000 (2% of scheme expenditure). It comprised redundancy payments to 62 individual employees of varying amounts based on the employment history of each individual employee. The Department also made a payment, on behalf of the same employer, to the employer representative (liquidator) of €481,000 (6% of scheme expenditure) under the insolvency payment scheme. This payment related to 367 individual pay components for 128 employees.

<sup>1</sup> An application — on behalf of each individual employee — is submitted by the employer or employer representative for the redundancy payment scheme and/or by the liquidator on behalf of the employer for the insolvency payment scheme (see Annex 18A).

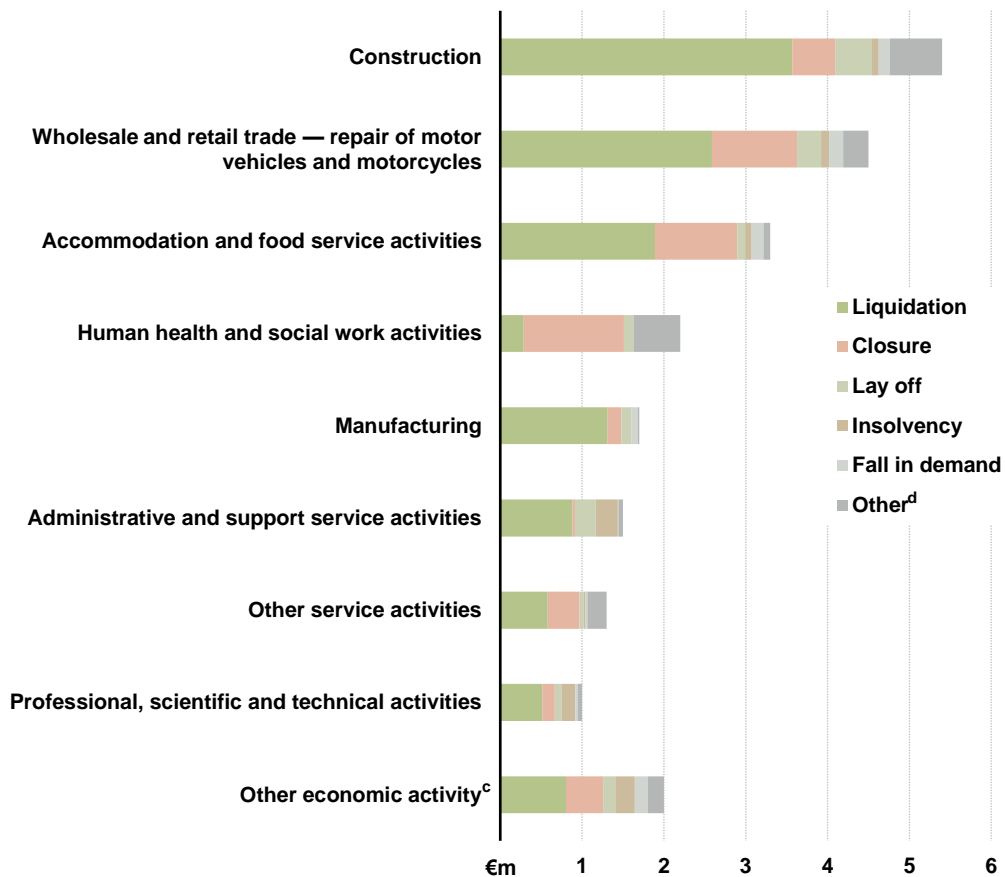
**Sectoral trends**

**18.12** Most of the redundancy scheme payments made in 2024 — €21 million, or 91% — relates to eight economic sectors. The remaining 9% is spread across other classifications of economic activities in Ireland (see Figure 18.2).<sup>1</sup>

<sup>1</sup> The Department stated that, as insolvency payments are recorded against individuals, similar information on the relevant economic sector of the employer is not reported for insolvency payments.

**18.13** The Department issued payments of €22.9 million for the redundancy payment scheme in 2024. Of this, 54% was due to the company expecting to go into liquidation and a further 22% was due to business closure (see Figure 18.2).

**Figure 18.2 Redundancy payment scheme expenditure in 2024 by economic activity of employer business and reason for redundancy<sup>a,b</sup>**



Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Notes:

- a Data based on payments issued in 2024 includes a small number of applications submitted in 2023 and paid in 2024.
- b Classification is by the NACE (Nomenclature générale des Activités économiques dans les Communautés Européennes) structure, which is the statistical classification structure for economic activities in Europe.
- c Agriculture, forestry and fishing; arts, entertainment and recreation; education; information and communication activity; public administration and defence; real estate activities; transportation and storage.
- d Other includes rationalisation/reorganisation, receivership, examinership, bankruptcy, change of work practice — unable to cope, death of employer, end of contract, sale of business, change of ownership and alternative job offer unreasonable.

### ***Payments arising from awards issued by the Workplace Relations Commission***

- 18.14** If the Department decides not to award a claim under the redundancy and/or insolvency payment schemes as per the relevant legislation, or if an employee is dissatisfied with an aspect of an award, the employee has a right to appeal the decision to the Workplace Relations Commission (WRC).<sup>1</sup>
- 18.15** Employees can also bring a claim to the WRC against their employer for unpaid statutory redundancy. If the WRC makes an award in relation to statutory redundancy against the employer and the employer refuses to pay the award, the employee can apply directly to the Department for payment under the redundancy payment scheme.
- 18.16** 136 employees (around 5% of applications submitted in 2024) received redundancy payments from the Department in 2024 based on awards issued by the WRC.

### **Debt management**

- 18.17** The Debt Management Unit (DMU) was set up within the redundancy and insolvency payment section of the Department to manage and recover employer debt. The DMU looks after all aspects of debt management solely for the redundancy and insolvency payment scheme debts.
- 18.18** The employer debt is automatically recorded, and recovery actions are managed on the Department's general Debt and Receipts Accounting System (DRAS). The system automates many aspects of the processes to seek recovery of this debt and to communicate with debtors. Initial debt invoices, follow up reminders and annual debts statements are issued automatically by DRAS to the employer.
- 18.19** The DRAS system was introduced in 2014, and any outstanding redundancy and insolvency payment scheme debt balances were transferred over to it. This included outstanding pre-2011 debt brought over onto the Department's system from the Department of Enterprise, Tourism and Employment.<sup>2</sup>
- 18.20** The examination noted that some of the transferred cases lacked the level of detailed case notes available for more recent cases and have a higher likelihood of the company status information being outdated. However, the Department stated that this information for pre-2011 debts is available outside of DRAS and is checked as part of the debt management process.
- 18.21** The debt management and write-off policy for redundancy and insolvency schemes was updated by the Department in January 2024. The policy sets out more detailed guidance for the debt recovery and write-off process.

<sup>1</sup> For all other Department funded schemes, appeals are managed by the Social Welfare Appeals Office.

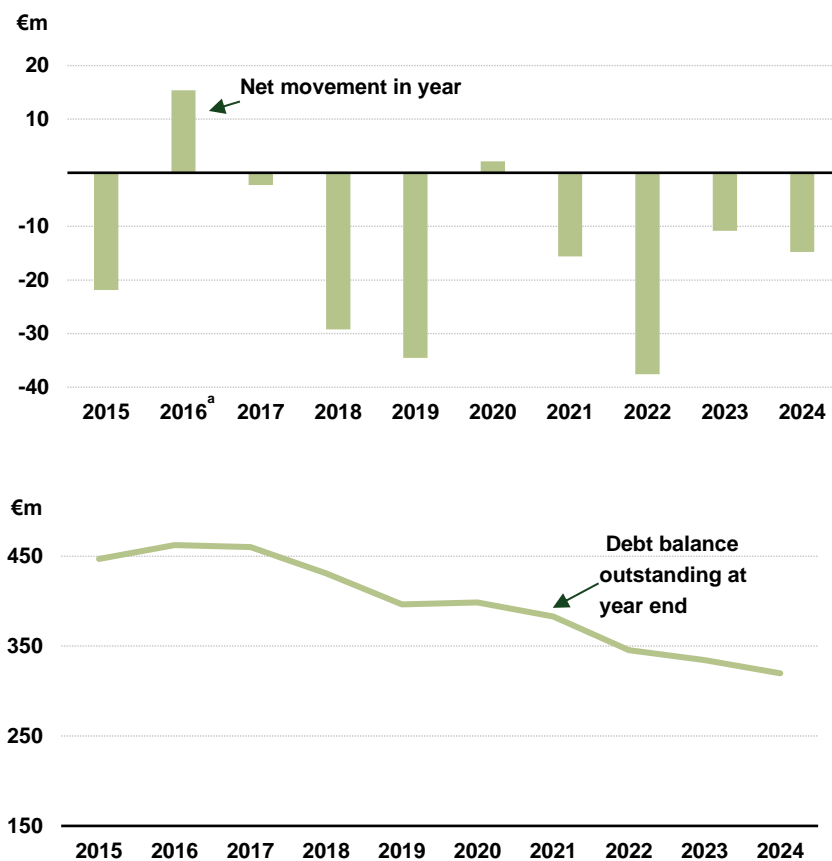
<sup>2</sup> Prior to 1 January 2011, the schemes were administered by the (then) Department of Jobs, Enterprise and Innovation, with the associated costs charged to/recouped from the SIF.

### ***Scheme debt***

- 18.22** Payments made under the redundancy and insolvency payment schemes are accounted for in the SIF account on a cash receipts and payments basis. The balance due from employers at the year-end represents the scheme debts which have not been recovered or written off.

- 18.23** The cumulative debt figure has decreased within the last decade, reducing the overall debt balance from €447 million in 2015 to €320 million in 2024 (see Figure 18.3).
- 18.24** However, most of the reduction is due to debt being written off. The Department acknowledges that a low percentage of the outstanding balance will be recovered because most of the employer debt relates to insolvent companies.
- 18.25** Due to uncertainties around the timing and likelihood of scheme debt recovery the Department does not recognise the outstanding debt as an asset in the SIF balance sheet. Instead, the amount outstanding is disclosed by way of a note to the SIF accounts. This is in line with the standard accounting treatment for contingent assets.<sup>1</sup>

**Figure 18.3 Net movement and cumulative balance outstanding in employer debts at year end, 2015 to 2024**



Source: Department of Social Protection. Analysis by Office of the Comptroller and Auditor General.

Note: a The increase between 2015 and 2016 was due to a once-off adjustment of an opening balance in 2015 by €36.7 million.

**Recovery of outstanding debt**

- 18.26** The Department does not set specific targets for debt recovery, reflecting the individual nature of the payments made under the schemes. As a preferential creditor under section 621 of the Companies Act 2014 (as amended), the Department works to recover as much of this debt as possible.

<sup>1</sup> [Central Government Accounting Standard 19 — Provisions, contingent liabilities and contingent assets.](#)

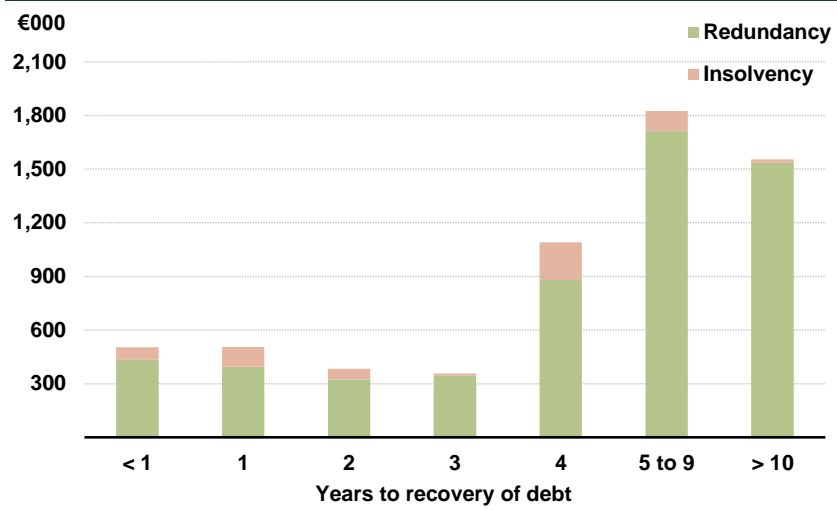
- 18.27** An invoice is issued to the debtor (employer/employer representative) once the redundancy and/or insolvency amount is paid by the Department on the debtor/employer's behalf. The DMU will attempt to engage directly with the employer (or employer representative) to ascertain its current financial position and its capacity to repay the debt. The DMU monitors this regularly and issues annual statements of debt liability to debtors.
- 18.28** In cases where employers are not insolvent and are still trading, the Department will actively continue to seek repayment of all debts in full or as part of an agreed repayment plan. The Department stated that a balanced approach is taken, as the companies it is dealing with are often in a financially precarious position.<sup>1</sup>
- 18.29** Once a business enters a formal insolvency process, or any process where an official has been appointed where the creditors will be impaired, the Department's recourse is with the appointed official. After payment to secured creditors and the payment of liquidation fees or other officials fees, the relevant share of any remaining dividend will be repaid to the SIF.
- 18.30** Once a company goes into liquidation, all communication from the DMU team, both manual and automatic, is directly with the liquidator only.
- 18.31** The ability to recover debt usually decreases as a debt ages. However, this is not the case for redundancy and insolvency debt. In 2024, the Department recovered €6.2 million: 25% related to debt raised ten years ago and older and another 29% was five to nine years old (see Figure 18.4).
- 18.32** Most scheme debtors are in significant financial difficulty during the creation of debt. Recoveries can, therefore, be delayed and often do not materialise until dividends are received once a liquidation process is completed.
- 18.33** The length of time taken to complete a liquidation is dependent on the individual circumstances arising in each case, with some liquidations continuing for several years.<sup>2</sup>
- 18.34** The debt recorded as outstanding under the redundancy and insolvency payment schemes includes debt that was raised many years ago and is still potentially recoverable. By value, 41% of debt was raised in 2014 or before and almost 33% was raised from 2015 to 2020 (see Figure 18.5).
- 18.35** Standard statute of limitation rules apply to debt collection i.e. if the debt is older than six years and one day, and the Department has not taken any debt recovery action in that period, then no legal action can subsequently be taken to recover the debt.<sup>3</sup> In practice, statute-barred write-offs are rare and have resulted in one or two debts written off per year over the last five years.

<sup>1</sup> Reminder letters are issued detailing the outstanding debt balance and seeking an up-to-date financial position.

<sup>2</sup> One of the longest liquidations in Ireland took almost 30 years (1970 – 1999).

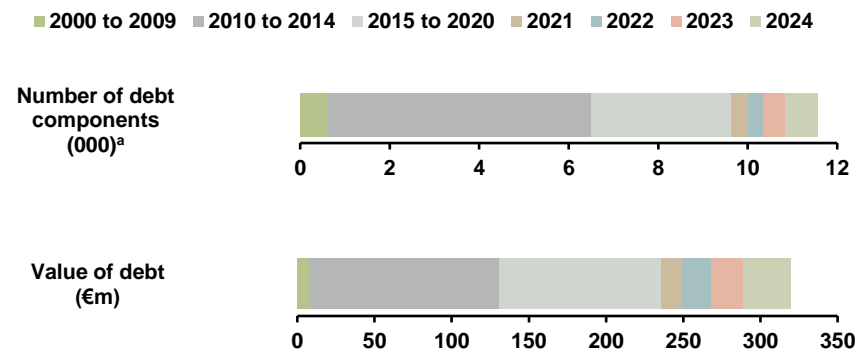
<sup>3</sup> [Statute of Limitations 1957, section 11.](#)

**Figure 18.4 Extent of debt recovery during 2024, by age of debt component in years**



Source: Department of Social Protection. Analysis by Office of the Comptroller and Auditor General.

**Figure 18.5 Age of outstanding redundancy and insolvency debt at the end of 2024, by value and number of debtors**



Source: Department of Social Protection. Analysis by Office of the Comptroller and Auditor General.

Note: a There are 11,557 individual debt components, relating to 8,925 individual debtors. A separate debt component is raised for each instance of debt.

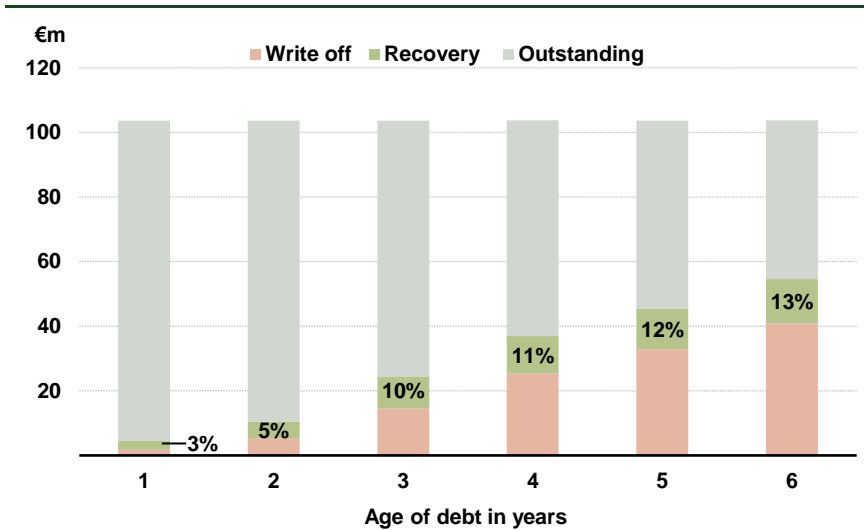
**Rate of recovery**

**18.36** Based on historical recoveries, the Department acknowledges that, on average, less than 10% of the outstanding debt balance will be recovered. The remaining 90% of the employer debt value is forecasted to eventually be written off.

**18.37** Figure 18.6 shows the rate of debt recovery over time for debt created in 2016, 2017 and 2018. This analysis of the debt movement shows that by the time this debt was six years old around 13% had been recovered.

**18.38** However, the recovery rate year-on-year can be significantly impacted by a large payment from one single debtor. For example, in 2019 a payment of €2.4 million was received from a single debtor relating to a debt created in 2016. Excluding this single payment, the recovery rate of 2016 debt after three years would have been 7% as opposed to 10%. This illustrates the inherent unpredictability of the recovery process for debts related to the payments made under the schemes.

**Figure 18.6 Aged analysis of redundancy and insolvency payment scheme debt created from 2016 to 2018<sup>a</sup>**



Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Note: a For example, point four on the horizontal axis represents debt that is four years old. Debt created in 2016 will be four years old in 2020, whereas debt created in 2017 will be four years old in 2021.

**Recovery projects — targeted approach**

**18.39** The DMU recently undertook a targeted approach project for debt recovery. Between March 2023 and September 2024, the Unit contacted all debtors not engaging with the Department and with a debt liability of under €20,000.<sup>1</sup> Each debtor was sent a customised letter, with a repayment plan option.

**18.40** In total, the Department issued 4,026 targeted letters for employer debts amounting to €27 million. As of October 2024, the Department had received over €750,000 in repayments, with projected total recoveries of just under €2 million on foot of the engagement generated by the targeted approach.

<sup>1</sup> The targeted debt was debt that was marked as active, which had no repayments for the last 10 to 12 months and was not on DMU list to follow up, not in liquidation or receivership and not bankrupt/in personal insolvency (sole trader).

**18.41** In 2025, the DMU plans to initiate a similar undertaking for a further cohort of debtors with balances over €20,000 outstanding. The DMU also intends to review older debtors, cross checking their status with records from the companies' registration office (CRO) with a view to writing off their debts should a dissolved status be confirmed. The exact parameters and timelines for the projects have yet to be determined. These reviews occur on an ad-hoc basis rather than as part of an overall formal approach or strategy.

### ***Write-off of debt***

**18.42** The Department's policy is to consider write-off for redundancy and insolvency payment scheme debt in certain defined circumstances, to ensure the consistent management of debt. Such circumstances include companies that are dissolved or wound up and the legal entity no longer exists (registered companies) or where an individual is discharged from bankruptcy (sole traders/partnerships).<sup>1</sup>

**18.43** The Department has obtained a delegated sanction from the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation to carry out debt write-off in respect of employer debt arising for the redundancy and insolvency payment schemes in accordance with the Department's stated policy.

**18.44** Additionally, the employer debt can be examined for write-off when the Department considers it to be not feasible for collection.<sup>2</sup>

**18.45** The DMU staff, and the Departments' senior management team are responsible for all redundancy and insolvency employer debt write-offs. Approval levels for write-off decisions are included in the Department's redundancy and insolvency debt management and write-off policy. The levels of authority for making decisions on a single debt for write-off are based on the grade of the staff member and the debt value as a whole.

**18.46** However, the policy also allows for the processing of the write-off on the Department's system to be delegated to a DMU officer with less authority if a record of the decision by the officer with appropriate authority is recorded and kept on file. Therefore, the system-controlled write-off limits are not aligned to the authorisation amounts set out in the policy. The Department stated that write-offs are monitored and reported on regularly to ensure debts are written off in line with the authorisation limits set out in the policy.

<sup>1</sup> Other circumstances include scheme of arrangement (examinership), where legislation supersedes Department policy and where a sole trader/partnership has ceased to trade or the estate has been wound up.

<sup>2</sup> Debt is considered not feasible for collection when it meets the following criteria: is less than €1,000; is over one year old; and no repayments were made for a year and multiple requests for payment were issued. Debt that is part of a Criminal Assets Bureau case is also considered not feasible for collection.

**18.47** When the employer debt is written off, a record of the debt remains on file and the write-off can be reversed if the debt is subsequently repaid or becomes repayable.

**18.48** During 2024, the Department wrote off debt to the value of €39.7 million, with

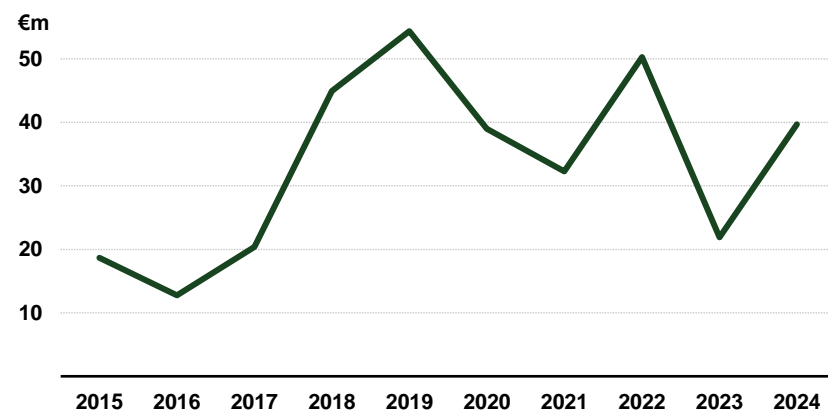
- €38.7 million (97%) written off due to the company being dissolved
- €1 million written off for a variety of other reasons recorded including bankruptcy, extenuating circumstances and death of the debtor.

**18.49** Over the last five years, the Department has written off €183 million, with 96.5% because of the company being dissolved. In those cases, either no dividends were available, or the interim dividends received by the Department were not enough to cover the full amount of debt.

**18.50** The overwhelming majority of the write-offs are conducted after the litigation process is completed, the registered company is dissolved and dissolved status is confirmed with the CRO.

**18.51** This explains the fluctuations in the write-off trends over previous years. €39.7 million was written off in 2024, almost double the 2023 amount (€21.9 million). This was due to an increase in the number and value of liquidations finalised in 2024 (see Figure 18.7).

**Figure 18.7 Write-off trends 2015 – 2024**



Source: Department of Social Protection

## Conclusions and recommendation

**18.52** The redundancy and insolvency payment schemes expenditure is demand-led and vulnerable to economic factors. Any increase in demand and subsequent increase in the payment due to an economic downturn will increase the debt figure and vice versa.

**18.53** The amount of redundancy and insolvency payment scheme debts recorded with a balance due from employers is reducing year on year — from almost €450 million at the end of 2015 to €320 million at the end of 2024. However, this reduction is largely due to debt written off.

**18.54** The Department expects further reduction of this employer debt due to the number of formal insolvencies nearing final stages, the implementation of the revised debt management policy in 2024 and further planned specific reviews of older debt outstanding and of certain cohorts of debtors by value. However, these reviews occur on an ad-hoc basis rather than as part of an overall debt management strategy.

**18.55** The DRAS system was introduced in 2014 and any outstanding balances, including pre-2011 employer debt brought over from the Department of Jobs, Enterprise and Innovation, were transferred to the system. Some of these transferred amounts continue to form part of the outstanding debt balance and can often lack the level of detail and up-to-date information available for more recent cases.

### **Recommendation 18.1**

The Department should introduce a formal strategy for both the regular review of older outstanding debt, in particular for cases pre-2011 and for the targeted review of certain cohorts of debtors by value on a periodic basis.

#### **Accounting Officer's response**

Agreed.

The Department acknowledges that a process of periodic reviews of older outstanding employer debt, including pre-2011, will be included in a new debt strategy covering the period 2025 to 2028.

The Department will, as part of this revised strategy, continue to pursue all recoverable debts to maximise recovery.

#### **Timeline for implementation**

End of 2025.

- 18.56** The Department's redundancy and insolvency debt management and write-off policy sets out the levels of authority for deciding to write off an individual debt. However, the authority limits per grade as set out in the policy are not aligned with the debt management system. Staff members can exceed that write-off limit when processing debt write-offs. A separate record of write-off approval and delegated sanction is maintained outside of the debt management system.
- 18.57** Since 2014, the Department has included a note in the SIF financial statements that it acknowledges that around 90% of the book value of employer debt for redundancy and insolvency payment schemes will eventually be written off. Most of the outstanding employer debt is due from companies in financially precarious situations, many of which are in formal insolvency process, and is highly unlikely to be reimbursed to the SIF.

## Annex 18A Overview of redundancy and insolvency payment schemes

Redundancy payment scheme	Insolvency payment scheme
<b>Scheme objective</b>	
It is the employer's responsibility to pay statutory redundancy payments to all eligible employees. If an employer is unable to pay due to financial difficulties, an application for payment from the SIF may be submitted to the Department.	The scheme protects former employees of companies that have become legally insolvent. Employees may claim, through an employer representative, such as the official liquidator or receiver, various pay related entitlements due (arrears of wages and other deductions, outstanding holiday pay, unpaid statutory minimum notice and sick pay).
<b>Application process</b>	
The application is submitted by the employer or employer representative and must include a company statement of affairs, proving that the employer is unable to pay all or part of the statutory redundancy due to the employee.	The application is submitted by the liquidator on behalf of the employer. The liquidator is the employer representative as the employer is deemed to be formally insolvent as per a High Court process.
<b>Rates</b>	
The rate of statutory redundancy is set at two weeks' pay for every year of service plus once additional week (maximum €600 per week).	There are no set rates as the pay related entitlement amount is strictly what is owed to an employee. The weekly pay is capped at €600 per week.  The maximum payment per component (e.g. arrears of wages, holiday pay, minimum notice) is €4,800.
<b>Payment recipients and tax implications</b>	
The tax-free payment is made from the SIF to the employee directly, with a debt immediately raised against the employer.	The payment is made to the employer representative, who oversees making the appropriate tax deductions and issuing the remaining amount to the employee.
<b>Employer debt and debt recovery</b>	
For both schemes, the debt is raised against the employer on the SIF and the Department is obliged to make every effort to recover the debt owed to the SIF, in accordance with the Redundancy Payments Act 1967, as amended, and the Protection of Employees (Employers Insolvency) Act 1984, as amended.	
<b>Penalties and costs</b>	
No interest or charges are applied to employer debts.	

Source: Department of Social Protection

## 19 Development of primary care centres

**19.1** Primary care provides the first point of contact to the wider health and social care system. It supports people of all ages through a community-based approach. It includes general practitioners (GPs), public health nurses and a range of health and social care professionals. The primary care model has been a key strategic priority of the Department of Health (the Department) since 2001.<sup>1</sup>

**19.2** The 2001 primary care strategy set out the vision for primary care services.<sup>2</sup> It envisaged a national network of primary care centres (PCCs), each accommodating one or more core primary care teams (PCTs). These teams would be supported by a wider network of health and social care professionals. Collectively, they would provide services to meet the needs of the local population (see Figure 19.1).

<sup>1</sup> [The Health Strategy 2001 — Quality and Fairness — A Health System for You](#) envisaged that primary care services would undergo major development to deliver an integrated community-based service accessible on a round-the-clock basis.

<sup>2</sup> [Primary Care: A New Direction](#) was published alongside the 2001 Health Strategy.

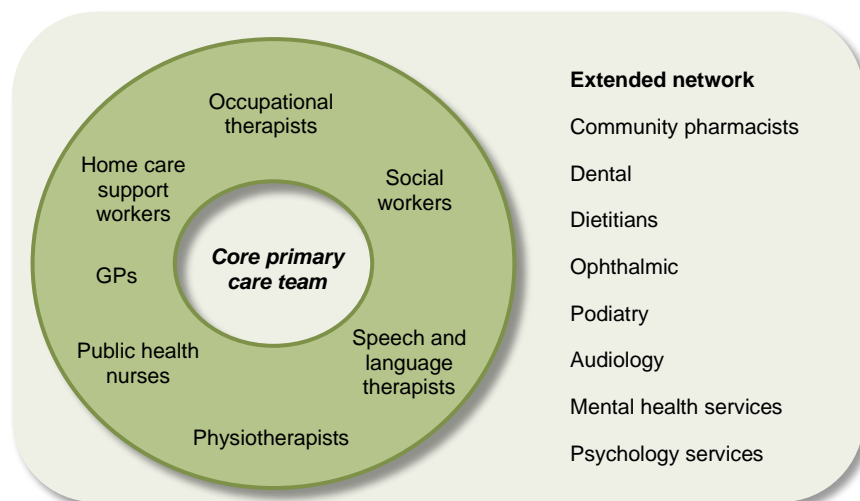
<sup>3</sup> The [Sláintecare Report](#) was published by the all-party Oireachtas Committee on the Future of Healthcare in May 2017.

<sup>4</sup> The 2018 [Sláintecare Implementation Strategy](#) covered the actions required for the first three years of the Sláintecare implementation process. This was followed by the [Sláintecare Implementation Strategy & Action Plan for 2021 – 2023](#). The [Path to Universal Healthcare: Sláintecare & Programme for Government 2025+](#) was published in May 2025.

<sup>5</sup> [The Enhanced Community Care Programme](#), established in 2019 and launched in 2022 as part of Sláintecare, is designed to reduce dependency on the hospital system by providing greater levels of healthcare in the community setting and closer to home, through general practice, primary care and community-based services.

<sup>6</sup> The [Strategic Healthcare Investment Framework](#) was published by the Department in August 2024.

**Figure 19.1 Primary care model**



Source: Health Service Executive

**19.3** Sláintecare — a ten-year programme to transform health and social care services — commenced in May 2017.<sup>3,4</sup> A key strategic action of Sláintecare is to expand community and primary care. Sláintecare endorses the importance of the development of PCCs and other community infrastructure to support the shift towards increased provision of community-based care. This includes community diagnostics; disability care; chronic disease management; community intervention teams; care for the elderly; health and wellbeing; and nursing and palliative care.<sup>5</sup>

**19.4** The Department and the Health Service Executive (HSE) work together to implement the Sláintecare reforms. The Department provides the policy framework and strategic direction, while the HSE is responsible for the operational delivery of Sláintecare's vision.

**19.5** It is envisaged that the Department's *Strategic Healthcare Investment Framework* will enable the delivery of Sláintecare by aligning service needs and strategies to facilitate optimal capital investment and development.<sup>6</sup>

## Focus of the examination

- 19.6** The development of a comprehensive national network of PCCs is critical to the achievement of the primary care service delivery envisaged in Sláintecare. Progress on the completion of the network, which was proposed over two decades ago, has been the focus of previous Comptroller and Auditor General reports in 2010 and again in 2018 (the 2018 report).<sup>1,2</sup>
- 19.7** This examination was undertaken to review
- the current status of implementation of the recommendations included in the 2018 report of the Comptroller and Auditor General
  - progress to end 2024 in the delivery of primary care centres, including the timing, prioritisation and method of delivery
  - the use of a sample of operational primary care centres.
- 19.8** The examination team interviewed departmental and HSE staff, reviewed relevant documentation and visited six PCCs.






## Status of implementation of recommendations

- 19.9** The 2018 report on the development of PCCs found that
- From the beginning of 2013 to March 2019, 57 new PCCs had become operational, bringing the total number of operating PCCs to 127 — around 36% of the targeted national network.
  - The Department had not put a timescale on the achievement of the targeted number of PCCs. Based on the rate of progress since 2013, it would take at least a further 20 years (i.e. to 2038) to develop the full network of PCCs.
  - The ranking for the development of PCCs in target locations had not been updated since 2012 despite significant growth in population and other relevant developments.
  - PCCs were being delivered under three main models: long-term lease, public-private partnership and HSE-owned. Due to the different cost structures, it was difficult to compare the costs and benefits of the respective delivery models.
- 19.10** The 2018 report included four recommendations which were agreed to both by the Department and the HSE. The examination team sought an update on the status of implementation of the recommendations and found that, as of mid-2025, none of them have been implemented (see Figure 19.2).

<sup>1</sup> *Report on the Accounts of the Public Services 2010*, chapter 44, [Development of primary care centres](#) and *Report on the Accounts of the Public Services 2018*, chapter 15, [Development of primary care centres](#).

<sup>2</sup> The Comptroller and Auditor General also reported on primary care teams in the *Report on the Accounts of the Public Services 2010*, chapter 43, [Primary care teams](#).

**Figure 19.2 Status of implementation of recommendations included in the 2018 report, as at end June 2025**

Recommendation <sup>a</sup>	Implementation status
<p><b>Minimum scope of services</b></p> <p>In order to allow for effective monitoring of progress in delivering PCTs and PCCs, the Department should define the minimum scope of services and accommodation that constitutes a PCC.</p>	<p> The Department has not defined the minimum scope of services and accommodation that constitutes a PCC.</p> <p>It stated that it intends to consider this recommendation as part of a project to review the PCC programme. Planning for the project has commenced.</p>
<p><b>Delivery timeline</b></p> <p>The Department should set a goal for when the full network is intended to be in place and intermediate (e.g. five yearly) targets.</p>	<p> The Department has not set targets for the delivery of the full network.</p> <p>It stated that it intends (also) to consider this recommendation as part of the project to review the PCC programme.</p>
<p><b>PCC prioritisation ranking</b></p> <p>The HSE should update the rankings of the target locations and determine how future delivery is to be prioritised.</p>	<p> The HSE has not undertaken a formal review to update the rankings of the target PCC locations or to determine how future delivery is to be prioritised.</p>
<p><b>Cost effectiveness review of delivery methods</b></p> <p>The HSE should undertake a cost effectiveness review of the different delivery methods used to develop PCCs to date, with a view to informing future decisions on delivery methods.</p>	<p> The HSE has not undertaken a formal cost effectiveness review to assess the different delivery methods used to develop PCCs.</p> <p>It stated that cost assessment is undertaken on a PCC project-by-project basis and that assessment of each delivery option determines the most appropriate investment solution and ensures that value for money is achieved.</p>
<p> Not complete</p>	

Source: The Department of Health and the Health Service Executive. Analysis by the Office of the Comptroller and Auditor General.

Note: a *Report on the Accounts of the Public Service 2018*, chapter 15, Development of primary care centres.

## Status of delivery of the primary care centre network

### Data collection

- 19.11** The examination team sought information from the HSE on the build and/or lease cost, the number of staff and the range of services provided at each operational PCC. However, this kind of information is largely retained across separate divisions and is not maintained centrally by the HSE. In response to the draft report, the Department compiled cost data relating to operational PCCs which was only provided to the examination team in September 2025.

**19.12** The HSE provided an Excel-based master listing of PCCs as at end 2024 (2024 master listing) to the examination team.<sup>1</sup> The listing included a total of 356 PCC locations, comprising centres already delivered and those at various stages of development. The HSE sends the listing (as updated) to the Department on a quarterly basis. Costs associated with the delivery of each PCC are not included in the quarterly updates to the Department.

1 The manual listing is maintained, updated and monitored by the HSE's capital and estates corporate office.

2 The listing provided for the 2018 report listed 351 PCCs and reflected the position as at end March 2019.

3 The six new PCCs included a second PCC located in each of five locations/communities and one PCC in a new location.

4 *Report on the Accounts of the Public Service 2018*, chapter 15, [Development of primary care centres](#) referred to 127 operational PCCs as at March 2019. However, one location was subsequently sold. See full listing of PCC locations in Annex 19A.

5 One PCC became operational in the period Jan to Mar 2019 which was captured in the 2018 report (see sidenote 1 above).

6 These refer to 'pre-existing' health centres which are now categorised as PCCs. Not all pre-existing health centres have been categorised as PCCs.

**19.13** The HSE stated that costs associated with the delivery of each PCC are reported separately to the Department. The Department stated that it considers costs of leased PCCs as part of annual budget processes and the costs of HSE-owned PCCs under capital planning procedures.

**19.14** The examination team compared the 2024 master listing with the listing provided for the 2018 report.<sup>2</sup> It noted that one PCC location had been deleted, and six new PCCs had been added to the 2024 listing.<sup>3</sup>

### **Delivery status of PCCs**

**19.15** At end 2024, 179 of the 356 PCC locations included in the 2024 master listing are operational (see Figure 19.3).<sup>4</sup> Of this total, 53 PCCs were brought into operation between March 2019 and end 2024.<sup>5</sup> The network is not evenly developed across the State (see Figure 19.4).

**19.16** Of the remaining 177 PCC locations included in the 2024 master listing, 63 have been classified by the HSE as 'merged or no longer required'. A further 17 PCC locations are under review by HSE local services to determine whether they continue to be required. Discounting the 63 centres no longer being proceeded with reduces the planned network to a total of 293. On that basis, the operational PCCs represent 61% of the currently planned network.

**19.17** The operational PCCs include

- stand-alone purpose-built facilities
- former health centres from which primary care services are provided, and<sup>6</sup>
- PCCs co-located on integrated healthcare campuses.

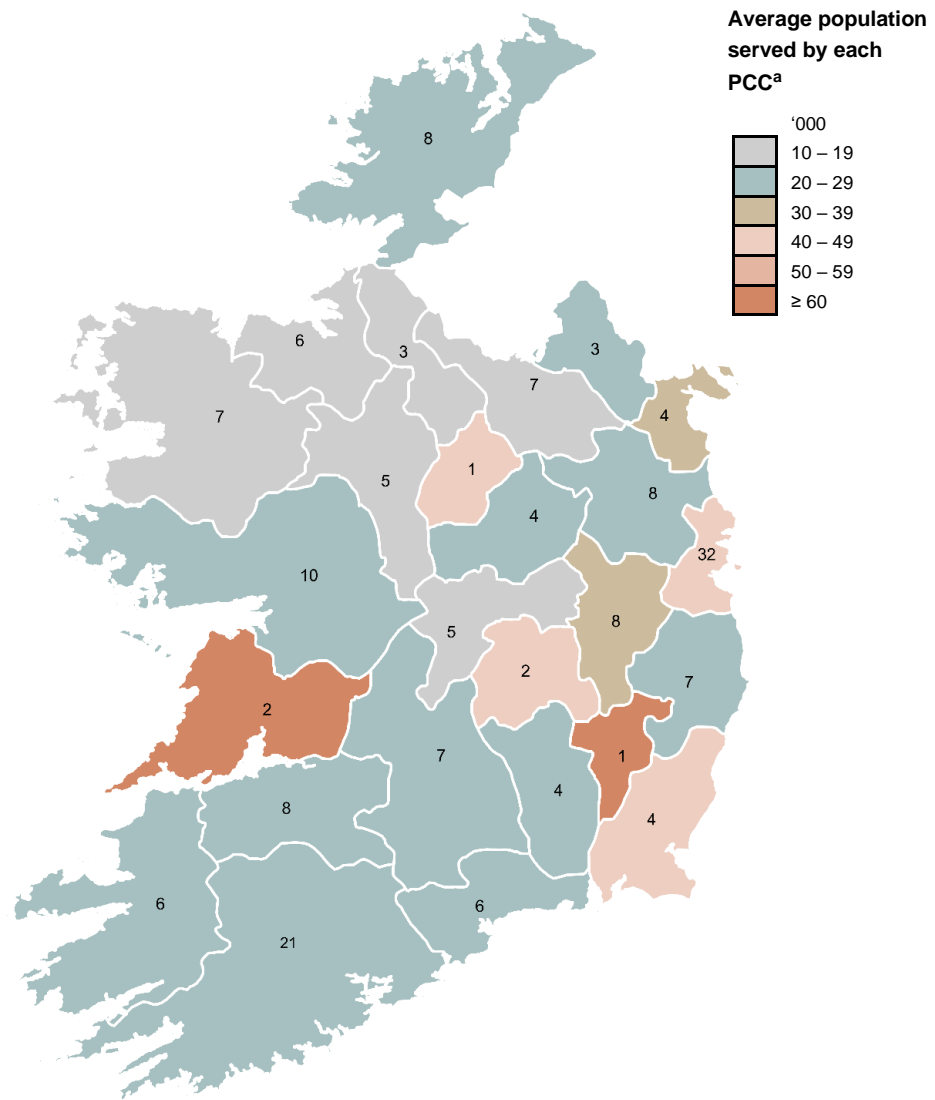
**Figure 19.3 Status at end 2024 of PCCs previously identified for delivery<sup>a</sup>**

Status	Description	Number of PCCs
<b>Operational</b>	In use/seeing patients	179
<b>Construction complete</b>	Construction complete but PCC not operational	1
<b>Under construction</b>	PCC under construction	5
<b>Advanced planning</b>	Agreement for lease in place with developer or application for planning permission submitted	20
<b>Early planning</b>	Advertised/to be advertised or at early capital planning stage	71
<b>Merged/not required</b>	Planned services merged with another PCC or no longer required	63
<b>Under review</b>	Location under review by community healthcare network	17
<b>Total</b>		<b>356</b>

Source: Health Service Executive. Analysis by the Office of the Comptroller and Auditor General.

Note: a See status of all PCC locations in Annex 19A.

**Figure 19.4** Number of operational PCCs by county, and average population served per centre, end December 2024



Source: Health Service Executive. Analysis by the Office of the Comptroller and Auditor General.

Note: a This is based on the 2022 census of population data per county.

**19.18** The Department stated that the PCC model has evolved over time with the expansion of community-based care since the introduction of Sláintecare. The HSE stated that, where possible, within a community healthcare network, there is typically one large PCC to accommodate the multidisciplinary PCTs and wider community services.<sup>1</sup> A number of satellite sites, like health centres, also provide primary care services to the community.

**Prioritisation of primary care centres for development**

**19.19** In late 2011, the HSE undertook an assessment to identify current and future primary care accommodation needs. The assessment report noted that the primary care accommodation portfolio was outdated and not designed to support the multidisciplinary ‘one-stop-shop’ approach to primary care.

<sup>1</sup> There are six health regions across Ireland, with 96 community healthcare networks responsible for delivering primary healthcare services. Each network serves a population of about 50,000 people. The staffing target for each network is between four to six PCTs, with GPs involved in delivering services.

- 19.20** On foot of the assessment, the HSE, in consultation with the Department undertook a national prioritisation of PCC locations in 2012. The HSE then compiled a ranked prioritisation listing of the 340 identified PCC locations.<sup>1</sup> The prioritisation ranking was based on assessments (in 2012) of service need, infrastructure need and measures of deprivation in communities.
- 19.21** The examination team compared the end 2024 prioritisation listing with the listing obtained for the 2018 report. There has been no change in the prioritisation ranking of the PCC locations identified for delivery since 2018. However, in five locations, decisions were made to provide a second PCC. In these cases, both centres were listed together, since the priority attaches to the location/community and not to the centre.
- 19.22** While a strict order of priority has not been applied in delivery of the PCCs, most of the centres opened since 2019 have been towards the top of the priority listing — 39 (or 74%) of the centres delivered were in the top half of the priority list (see Figure 19.5).
- 19.23** The HSE and the Department have stated that any reconfiguration, amalgamation or new locations identified since the prioritisation listing was first compiled (in 2012) are determined locally within the community healthcare networks. The local community healthcare network, in collaboration with HSE capital and estates, is required to seek approval from the HSE's property review group (PRG) prior to the development of a PCC.<sup>2</sup> The approval of the HSE audit and risk committee (ARC) and, in certain instances, the senior leadership team and the HSE Board is also required.<sup>3,4</sup>

<sup>1</sup> Report on the Accounts of the Public Service 2018, chapter 15, Development of primary care centres includes information on 351 PCCs — 340 from the 2012 ranked listing, plus an additional 11 PCCs that were not included on the initial listing.

<sup>2</sup> The PRG comprises: National Director, Head of Strategic Health Infrastructure and Capital Delivery; National Director, Capital and Estates; Assistant National Director, Property; Assistant National Director, Capital; Corporate Estate Manager; relevant service representative; and climate action representative.

<sup>3</sup> The HSE's *Protocol for the Acquisition and Disposal of Property* and the *Strategic Healthcare Investment Framework* set out the requirements (to be followed) for property transactions.

<sup>4</sup> All transactions between €2 million and €10 million require review by the ARC. These largely relate to PCCs developed under an operational lease. The approval of the senior leadership team and the HSE board is also required for larger PCCs with a value exceeding €10 million.

**Figure 19.5 HSE prioritisation of PCCs delivered to end March 2019 and to end 2024**

Ranking <sup>a</sup>	Number of PCCs delivered 2019 to 2024	Number of PCCs operational at end 2024 <sup>b</sup>	Percentage of planned PCCs delivered	
			Dec 2024	March 2019
1 and 50	14	31	61%	34%
51 and 100	12	25	48%	26%
101 and 150	13	23	46%	20%
151 and 200	6	15	30%	18%
201 and 250	5	13	25%	16%
251 and 300	2	31	60%	58%
301 and 340	1	39	98%	95%
No ranking <sup>c</sup>	—	2	20%	27%
<b>Total</b>	<b>53</b>	<b>179</b>	<b>50%</b>	<b>36%</b>

Source: Health Service Executive. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a Two ranked locations involved the development of four PCCs due to the need for a second PCC at the identified locations to meet service requirements.
  - b At end 2024, two PCCs were operational in Moycullen — an old health centre and a new PCC. By August 2025, the old health centre had fully decanted into the new centre. The old premises is due for surrender to the landlord in September 2025.
  - c Some PCCs in the master listing are not ranked.

**19.24** The Department and HSE have stated that the needs of the local communities are considered when developing a PCC. The following are also considered

- changes in population<sup>1,2</sup>
- changes in service delivery — for example, the implementation of Sláintecare programmes
- opportunities in the market
- the use of existing facilities, for example, health centres.

**Timing of delivery of PCCs**

**19.25** The Department has stated that a timeline has not been set for the delivery of all PCCs currently identified for development. However, the Programme for Government 2025 includes a commitment to “open more primary care centres and expedite the delivery of the existing pipeline to construction”.<sup>3</sup>

**19.26** Since the 2018 report, there has been no change in the average rate of delivery of around nine PCCs per annum (see Figure 19.6). At that rate, it would take up to 13 years (to 2037) to deliver the remaining (114) PCCs currently on the master listing.<sup>4</sup>

**19.27** The Department stated that development of a PCC can take several years from procurement and planning through to construction. It stated that many factors outside its control have impacted the delivery timelines for PCCs, for example, the planning permission process and the economic landscape. The Department and the HSE also stated that the Covid-19 pandemic had a profound effect on the development process which has impacted the rate of delivery in recent years.

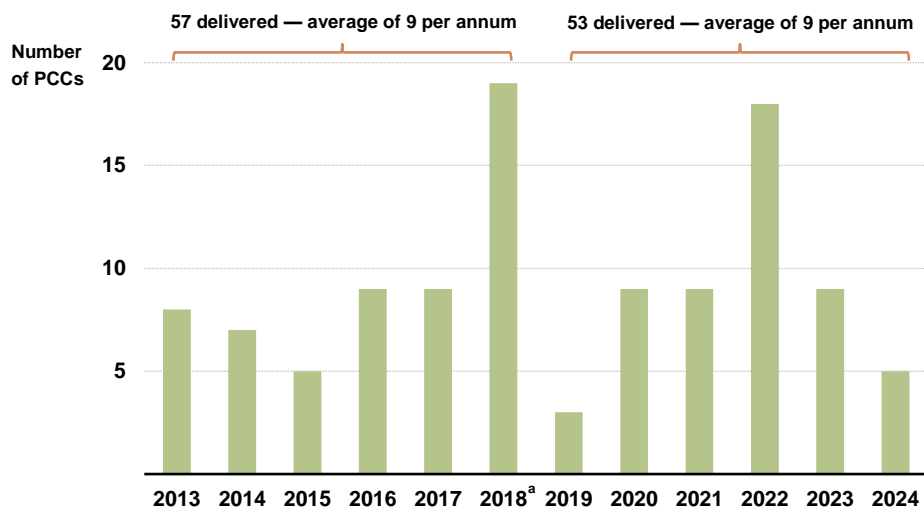
1 The CSO’s [Population and Labour Force Projections 2023 – 2057](#) publication (July 2024) reports that Ireland’s population is projected to grow significantly, potentially reaching over seven million by 2057. It projects that the number of individuals aged 65 and over will surpass one million by 2030.

2 The Department has stated that it is working with the Department of Housing, Local Government and Heritage on a health/housing planning model. This is to inform how best to meet future settlement and population needs.

3 The [Programme for Government 2025 — Securing Ireland’s Future](#) was published in January 2025.

4 This excludes the 63 PCCs where services have either been merged with another PCC or are deemed no longer required.

**Figure 19.6 Number of PCCs delivered annually, 2013 to 2024**



Source: Health Service Executive. Analysis by the Office of the Comptroller and Auditor General.  
 Note: a Includes one PCC delivered in Q1 2019 as per the 2018 report.

**19.28** The HSE stated that increased construction inflation, since 2021, has also impacted delivery. It stated that some developers who had progressed through the negotiation and agreement stages subsequently raised economic viability concerns based on previously agreed rental rates. Consequently, around 35 projects were stalled and have either been re-advertised or are due to be re-advertised.

### ***Delivery method of PCCs***

**19.29** To end 2024, the HSE has availed of a variety of methods for the delivery of PCCs. The method of delivery is determined by the Department and the HSE based on locally assessed needs for a PCC. The main methods used have been

- **HSE direct build** — PCCs built and owned by the HSE and funded from the HSE's annual capital allocation.
- **Lease** — the HSE enters into a fixed-term lease (typically 25 years, with an option to extend for a further five years) with a developer for the provision of a PCC. The developer provides the completed facility and has responsibility for maintaining it. The HSE pays annual rent and service charges and operates the facility.
- **Public-private partnership (PPP)** — A PPP is an agreement between the HSE and a private sector company for the provision of infrastructure and services over a specified contract period (typically 20 years). The PPP company funds the construction, fit-out and the equipping of the PCC except for some specialist equipment. The HSE remunerates the PPP company in the form of periodic unitary payments over the contract term. At the end of the contract, the facility is handed over to the HSE in an 'as new' state.

**19.30** Two PCCs have been delivered using non-standard methods.

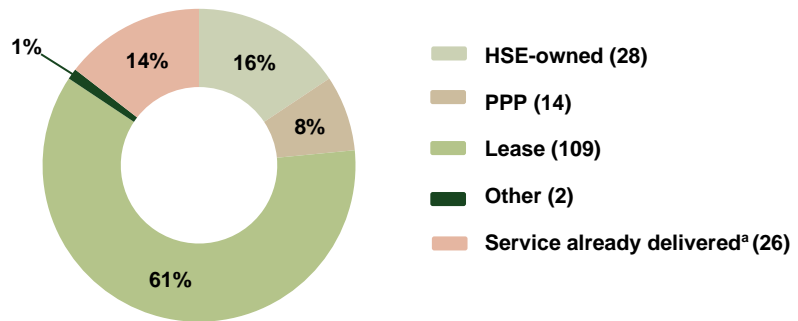
- **Sale and lease-back** — the HSE sold the land to the developer to build the PCC and has leased the building back with a view to buying it in due course.
- **Lease and purchase** — the HSE entered into a contract with Dublin City Council for the lease and purchase of a PCC which was developed under the Ballymun Regeneration Programme 1997. The HSE aims to own 60% of the premises by 2030.

**19.31** Following a review of its lease model in 2023, the HSE now advertises all current tenders on eTenders for an improved, structured and transparent process.<sup>1</sup> Previously, invitations to developers to submit expressions of interest for PCCs identified by the HSE for lease delivery were advertised in national and local papers.

**19.32** At end 2024, 109 (61%) of the 179 operational PCCs had been delivered under the lease model (see Figure 19.7).

<sup>1</sup> eTenders is Ireland's national tendering platform for public sector contracts.

**Figure 19.7 Number and percentage of operational PCCs, by delivery method, at end 2024**



Source: Health Service Executive. Analysis by the Office of the Comptroller and Auditor General.

Note: a Refers to health centres existing pre-2012 considered currently to be providing primary care services.

**19.33** The HSE has stated that the delivery method used is partly influenced by market interest. It stated that historically, timing was not the critical factor in deciding the delivery model; instead, site availability, capital availability and GP engagement were more significant. This led to the operational lease model being the primary model used. The HSE stated that this has changed due to increased support and engagement with GPs allowing them to work directly with the HSE in the development of PCCs. It also stated that with a larger capital plan in place, there are greater opportunities to acquire suitable sites or buildings in some cases.

### Operation and use of PCCs

**19.34** The examination team undertook site visits to six PCCs — 3% of the operational network — to review their current use and staffing (see Figure 19.8).<sup>1</sup> The scale and range of services provided at the PCCs visited differed widely, as indicated in Figure 19.9.

**Figure 19.8 Sample primary care centres visited, April and May 2025**

Name of PCC	Delivery method	Year initiated <sup>a</sup>	Year of operation <sup>a</sup>	Capital cost of delivery	Annual rent and service charge
				€m	€m
Grangegorman	HSE-owned	2012	2018	14.17	—
Strokestown	HSE-owned	2006	2010	1.48	—
Newcastle West	Lease	2016	2024	—	0.9
Arklow	Lease	2006	2023	—	1.5
Enniscorthy	Lease	2017	2022	—	0.9
Tullamore	Lease	2013	2019	—	1.1

Source: Health Service Executive. Analysis by the Office of the Comptroller and Auditor General.

Note: a Year initiated reflects the year planning for the PCC commenced. Year of operation reflects the year the PCC came into operation.

<sup>1</sup> The site visits were undertaken during April and May 2025.

**Figure 19.9 Services facilitated and staffing, at the primary care centres visited, April/May 2025**

Services <sup>a</sup>	Grangegorman	Strokestown	Newcastle West	Arklow	Enniscorthy	Tullamore
Physiotherapy	●	●	●	●	●	●
Occupational therapy	●	●	●	●	●	●
Speech and language therapy	●	●	●	●	●	●
GP	●	●	●	●	●	●
Home support	●	●	△	●	△	△
Public health nursing	●	●	●	●	●	●
Social work	●	△	●	●	●	●
Dietetics	△	△	●	●	●	●
Podiatry	△	△	●	●	●	△
Dental	△	●	●	●	●	△
Chronic disease	△	●	●	●	●	●
Ophthalmology	●	△	●	△	●	△
Mental health	△	●	△	●	●	△
Psychology	●	●	●	●	●	△
Health promotion and wellbeing	●	△	●	●	●	●
Counselling in primary care	△	△	●	●	●	●
CAMHS <sup>b</sup>	●	△	△	△	△	●
Audiology	●	△	△	△	△	△
Family therapist	△	△	●	△	△	△
Civil registration	△	△	●	△	△	△
Community intervention team	△	△	●	●	●	△
Community medical doctor/officer	△	△	●	●	●	△
Older persons	△	△	△	●	●	●
Social inclusion	●	△	△	△	△	●
Area medical officer	●	△	△	△	△	△
Drug and alcohol	●	●	●	●	△	△
Ear, nose and throat	△	△	●	△	△	△
Lactation	△	●	●	△	△	△
Retina screening	△	△	△	●	△	△
Antenatal outreach clinic	△	△	△	●	△	△
Social prescribing service	△	△	△	●	△	△
Disability service	△	●	△	●	△	●
Oral haematology	△	△	△	△	△	●
Medical officer social welfare	△	△	△	△	△	●
Psychiatry/psychiatry of later life	△	●	●	△	△	△
Diagnostics	△	△	● <sup>c</sup>	●	△	△
Administration	●	●	●	●	●	●
<b>Staffing</b>						
Total posts (WTE)	106	24	46	81	135	91
Percentage of vacant posts	13%	0%	9%	7%	27%	19%
● Services operating	● Services facilitated but currently suspended	△ Services not intended at this PCC				

Source: Health Service Executive. Analysis by Office of the Comptroller and Auditor General.

Notes: a Services provided are for either adults or children, or both, depending on community service needs.

b CAMHS refers to child and adolescence mental health services.

c An X-ray and ultrasound service can be facilitated at Newcastlewest PCC but is not yet operational. The examination team was informed that a strategic review is underway to determine the service delivery model prior to the fit out of the facility.

### ***Services provided at PCCs visited***

- 19.35** The HSE's *Protocol for the Acquisition and Disposal of Property*, and the capital appraisal process, requires that a schedule of accommodation of services must be prepared for each PCC prior to its development. This schedule sets out the space required to accommodate each primary care service proposed for the PCC. The initial schedule of accommodation of services was available for only four of the six PCCs. The examination team found that there were no significant differences between the planned primary care services and the services provided at the four PCCs.
- 19.36** The HSE stated that newly developed standard design documents include a standard 'schedule of accommodation' template for all service elements to be included in a PCC depending on the local population requirements.
- 19.37** For HSE-owned PCCs, a licence agreement is entered into between the HSE and the GP team (PCT) accommodated in the PCC.<sup>1</sup> However, for the two HSE-owned PCCs reviewed by the examination team, signed licence agreements were not available even though the PCCs became operational in 2010 and 2018, respectively. The HSE stated that while it has not yet invoiced the GPs a fee for their allocated space within the two PCCs, it remains entitled to recover licence fees in accordance with the contractual terms. It further stated that a licence fee for the licenced area typically becomes payable two years after the commencement date of the licence term.
- 19.38** Under the PCC lease delivery model, the HSE enters into a long-term lease agreement with the landlord for use of part of the building.<sup>2</sup> The GP practice(s) accommodated in the PCC enter into a separate lease agreement with the landlord for their allocated part of the building. For the four PCCs delivered under the operational lease model, the HSE stated that each GP practice has a separate lease agreement with the landlord. However, as the agreement is between the GP and the landlord, the HSE does not have access to information around the terms of the GP agreement.

### ***Use of facilities at PCCs visited***

- 19.39** All six PCCs are operational for public visitors from 9am to 5pm, Monday to Friday. Home-based visits also form an integral part of the delivery of the primary care services at each PCC. Certain 'out of hours' services are also provided, for example, 24-hour GP services based at the centres.
- 19.40** The examination team undertook a walkthrough of each of the six PCCs and noted that all PCCs are facilitating the services intended. However, the team observed that several rooms were vacant at the time of the walkthroughs. This may be attributed in part to home-based visits. Also, some of the services provided at the PCCs are only scheduled to operate on certain days.
- 19.41** The examination team found that while all six PCCs employ a booking system to manage use of the rooms, these systems vary. Four of the PCCs employ manual booking systems using Excel spreadsheets and diaries. The other two PCCs use an electronic booking system. At the time of the visits, none of the six PCCs could accurately determine the actual usage of the building, or whether booked rooms were used and for how long.<sup>3</sup>

<sup>1</sup> A licence grants permission to use the property without exclusive possession.

<sup>2</sup> The typical duration of the lease is 25 years, with an option to extend for a further five years.

<sup>3</sup> Subsequent to the site visits, the HSE provided usage data for one of the PCCs visited.

**19.42** The HSE stated that a space utilisation programme commenced in early 2025 which involves the piloting of a new system in two PCC locations — Grangegorman and Balbriggan. The HSE also stated that this system will enhance operational efficiency by streamlining the booking and management of rooms for developed PCCs.

**19.43** The HSE reports on key performance indicators for patients seen by primary care services. However, this data is determined at a community healthcare network level, in line with national reporting, and cannot be associated with a specific PCC.

**19.44** Separately, the Department was to undertake a formal review of the use of PCCs under the 2019 Sláintecare action plan. The Department has stated that this will form part of its planned PCC programme review.

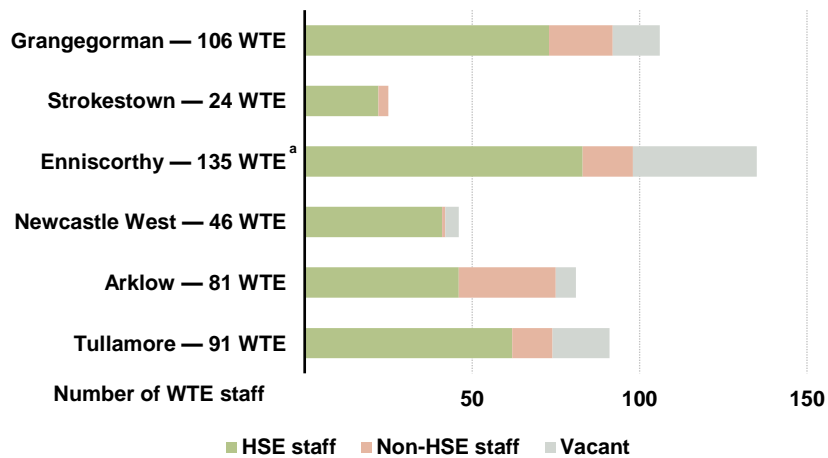
**Staffing at PCCs visited**

**19.45** PCCs are staffed with multidisciplinary clinical staff and administrative staff. For the six PCCs visited, whole-time equivalent (WTE) clinical and administrative posts are mainly filled by HSE staff (see Figure 19.10). The examination team noted that five of the six PCCs were carrying vacancies. In particular, almost one third of WTE posts in Enniscorthy PCC were vacant.

**19.46** The HSE stated that there is a staffing deficit of over six WTE vacancies for ophthalmology services at Enniscorthy PCC. Fifteen of the 33 WTE posts for its chronic disease management hub are also vacant.

**19.47** HSE staff in the Enniscorthy PCC stated that the 2024 pay and numbers strategy resulted in over 14 WTE vacancies being suppressed across multiple disciplines.<sup>1</sup> Since mid-2024, some services no longer have a staff allocation, namely, dietetic, social work and podiatry. These services are currently covered by other centres within the Wexford region.

**Figure 19.10 Number of WTE staff per PCC, as at May 2025**



<sup>1</sup> The pay and numbers strategy, introduced in mid-2024, sets out the HSE's maximum (WTE) staff numbers and their allocation across different health regions and national services. Vacant posts at end 2023 were suppressed as part of the strategy, reducing WTE allocations.

Source: Health Service Executive. Analysis by the Office of the Comptroller and Auditor General.

Note: <sup>a</sup> Excludes the 14 WTE vacancies suppressed at year-end 2023.

## Conclusions and recommendations

- 19.48** In 2012, a key strategic priority set by the Department of Health (the Department) was to develop a national network of 340 PCCs. At that time, a total of around 69 existing centres were providing a range of primary care services that broadly equated to the service range that would be expected in a PCC.
- 19.49** By the end of 2024, the Health Service Executive (HSE) had delivered a total of 110 new PCCs. Together with the pre-existing centres, this has resulted in a network of 179 operational centres: around 50% of the total targeted network originally identified for development. However, 63 of the originally planned locations/communities targeted for development of PCCs have been merged or are considered no longer required. When these merged services or 'no longer required' centres are excluded, the currently operating PCCs represent 61% of the currently targeted national network.
- 19.50** The elimination of 63 locations originally planned for PCCs, through mergers of locations/communities for service, represents a significant change in the planned network. However, the original prioritisation order of the locations has not been revisited since 2012. Rapid population increase has occurred in the intervening period and has been faster in some areas than in others. Changes in the pattern of private (non-PCC) delivery of GP care are also occurring.
- 19.51** As a result of the changes made and occurring, the current priority ranking of locations/communities for development of PCCs (or expansion of existing PCCs) lacks sound quantification and transparency. A reassessment of the priority locations for development, taking account of the changing population to be served, existing availability of services and the quality of existing infrastructure, would help to ensure that resources in future years are directed in the most timely way to where the community need is greatest.

### Recommendation 19.1

The HSE should, in consultation with the Department, update the rankings of the targeted locations and determine how future delivery is to be prioritised.

#### HSE Chief Executive Officer's response

Agreed.

While the HSE has not undertaken a formal, national-level review of targeted primary care centre (PCC) locations, reconfigurations, amalgamations and new locations have been identified and progressed through a combined local and regional approach. Each development is informed by the needs of local communities and considers a range of relevant factors. These include — changes in population, local engagement, service delivery developments (such as Sláintecare and the introduction of enhanced community care), market opportunities, national infrastructure development and use of existing facilities.

The current approach allows the HSE to respond flexibly to changes in demographics, service delivery, and market conditions while maintaining alignment with strategic objectives and oversight requirements. Any ranking exercise will focus on the remaining identified PCC locations yet to be delivered.

### **Timeline for implementation**

When setting timelines, the HSE will take into account the Department of Health's review of the PCC programme, scheduled for completion in 2026. Rankings can only then be finalised after consultation with the Department of Health.

- 19.52** Economic factors and the Covid-19 pandemic have impacted PPC development in recent years. The average completion/delivery rate of PCCs has been around nine per year over the period 2012 to 2024. At that rate, it will take around 13 years (i.e. to 2037/8) to complete delivery of the currently planned network. The Department has not set any specific goals or intermediate targets for the delivery of the full network of PCCs identified as being required.

### **Recommendation 19.2**

The Department should set targets for the number of PCCs to be delivered in the medium term (e.g. within three years) and for the longer term i.e. completion of the network of PCCs by a target deadline.

#### **The Department of Health Accounting Officer's response**

Agreed.

The Department accepts the recommendation to set an indicative timeline/phasing for the delivery of the PCC network.

The Department has established a project to review the PCC programme. The recommendation will be addressed as part of that project. However, it must be recognised that any targets can only be set following consultation with the HSE.

It should also be noted that many factors outside the control of the Department and the HSE impact on timelines for the delivery of PCCs, such as market factors including market interest and capacity, statutory planning processes and resource availability. Nonetheless, a timeline for the commencement of development of the remaining PCCs can be set.

In setting timelines, consideration will be given to any update to prioritisation rankings as per the previous recommendation.

#### **Timeline for implementation**

2026, subject to the implementation of the previous recommendation.

### **Minimum scope of services**

- 19.53** The services to be provided by PCCs have evolved over time with the implementation of Sláintecare. Alongside core primary care services, these services include a much wider range of community services than originally envisaged.
- 19.54** While the Department undertook, in response to a previous recommendation, to define the minimum scope of services that constitutes a PCC, this has not been done. PCCs operating at end 2024 include purpose built PCCs, large health centres and centres co-located on integrated healthcare campuses. Visits to a small number of PCCs indicated a range of services on offer across the PCCs. Some of the services provided for in the centres were not being delivered, mainly due to staff vacancies concentrated in some service areas.

**Recommendation 19.3**

The Department should define the minimum scope of services and accommodation that constitute a PCC to allow for effective monitoring and reporting of progress in delivering the basic network of PCCs and the core services being provided.

**The Department of Health Accounting Officer's response**

Agreed.

This recommendation will be addressed as part of the Department's project to review the PCC programme. However, this recommendation will require careful consideration and consultation with the HSE and will need to recognise that variation in the design or use of PCCs is a function of local circumstances, population need and available resources.

The overarching purpose of the PCC programme is to provide modern fit-for-purpose healthcare facilities for the delivery of primary care services and allow for closer coordination between primary care providers.

However, many PCCs also provide facilities for other community-based healthcare services and health promotion activities. Any further consideration of a minimum scope of services and accommodation should therefore meaningfully distinguish PCCs from other community healthcare facilities, while at the same time offering flexibility to the model to adapt to the local healthcare and health promotion needs and priorities.

**Timeline for implementation**

2026.

***Cost effectiveness review of delivery methods***

**19.55** The HSE has not undertaken a formal cost effectiveness review of PCC delivery methods. Around 60% of operational PCCs were delivered between 2012 and 2024 under the lease delivery model. The cost of PCCs delivered is not maintained centrally by the HSE and consequently could not be provided during the examination.

**19.56** In response to this finding in the draft report, the Department compiled cost data relating to operational PCCs which was only provided to the examination team in September 2025.

***Review of PCC programme***

**19.57** The Department has stated that it intends on carrying out a review of the PCC programme. Planning for the review has commenced.

**19.58** The HSE holds limited information about the existing PCC network. Better and more timely information about what is in place and the kinds of services provided would assist the Department and the HSE in planning the delivery — and, where necessary, timely upgrading — of PCCs, and in understanding the capacity of the network to support the primary care needs of communities.

#### **Recommendation 19.4**

The HSE should centralise the information it holds on operational PCCs. This information should, at a minimum, include: the cost of delivery of each PCC; the size of the PCC; the method of delivery; annual lease charges (where applicable); services provided by each PCC; authorised and actual staffing levels for each PCC, by discipline; and population coverage. The centralisation of this information will help inform strategic decision making on the future delivery and use of PCCs.

#### **HSE Chief Executive Officer's response**

Agreed.

The requirement for centralisation of information on operational PCCs to support strategic decision-making is acknowledged. While detailed information on each PCC including cost of delivery, size, method of delivery, annual lease charges (where applicable), services provided and staffing levels is collected, it is maintained across separate systems.

Capital and estates data and service-led operational information are managed independently, reflecting their distinct governance, reporting and operational requirements.

As a result, it is not currently feasible to maintain a single live document that fully integrates both capital and estates and service-led data. Nonetheless, the HSE continues to ensure that all relevant information is available through established reporting mechanisms, enabling informed planning, monitoring and decision making for the future delivery and use of PCCs.

#### **Timeline for implementation**

Separate reporting systems are already in place to monitor and report this information. Any changes to data collection or reporting must be agreed with the Department of Health and will be in the context of the review of the PCC programme, due to be completed in 2026.

#### ***Accommodation of GP practices at PCCs***

- 19.59** The examination team visited six operational PCCs, of which four were delivered using the operational lease model and two were HSE own-build.
- 19.60** Under the operational lease model, the HSE enters into a lease agreement with the landlord. It is also standard practice for the GP accommodated in the PCC to enter a separate lease agreement with the landlord. The HSE own-build model requires that the HSE enters into a licence agreement with the GP(s) accommodated on site.
- 19.61** By the end of 2024, 28 HSE-owned PCCs had been delivered. For the two sample HSE-owned PCCs visited, signed licence agreements with the GPs operating in the centres were not available. Also, the HSE has yet to invoice the GPs for fees payable for their allocated space in these PCCs.

**Recommendation 19.5**

The HSE should undertake a review, on a timely basis, to ensure that licence agreements are in place with all GPs accommodated in HSE-owned PCCs. Each agreement should set out the rights and obligations of the parties to the agreement.

The HSE should also consider, as part of the review, its invoicing arrangements for fees payable by GPs for their allocated space in each HSE-owned PCC.

**HSE Chief Executive Officer's response**

Agreed.

The HSE acknowledges the importance of ensuring that occupancy agreements are in place with all GPs accommodated in HSE-owned PCCs. Occupancy agreements are designed to clearly set out the rights and obligations of both the HSE and the GP, providing a framework for the use of space and services within each PCC.

A review of all existing agreements is planned to ensure that they are current, complete and reflect the standard terms and conditions required. As part of this review, the HSE will also review payment of fees for allocated space, taking into account existing contractual arrangements, operational requirements and the broader objectives of the PCC programme.

**Timeline for implementation**

The HSE will consider this within the context of the Department of Health's review of the PCC programme, scheduled for completion in 2026.

***Use of PCC facilities***

- 19.62** All six PCCs reviewed by the examination team operate from 9am to 5pm, Monday to Friday, supplemented by certain 'out of hours' services. In practice, staff vacancies in some centres are restricting the range and quantity of services provided during core hours of operation.
- 19.63** Early morning and evening appointments are not scheduled routinely. While this indicates that there is potentially physical capacity for greater service provision, this would likely require significantly more staff.
- 19.64** The examination team found that each PCC may not be fully in use every day, resulting in a number of vacant rooms.
- 19.65** While the six PCCs use booking systems to manage the use of rooms, these systems are largely manual. Only two of the six PCCs use an automated system. At the time of the visits, none of the six PCCs could produce accurate reports on the use of the PCC facilities over a standard operating cycle. Consequently, it is not clear to what extent the PCC facilities are actually being used.
- 19.66** There is no comprehensive booking system used across all PCCs. In early 2025, the HSE commenced a space utilisation programme which involves the piloting of a new system in two locations — Grangegorman and Balbriggan. It is expected that the new system will enhance operational efficiency by streamlining the booking and management of rooms in developed PCCs.

- 19.67** Separately, the Department was to undertake a review of the use of PCCs under the 2019 Sláintecare action plan. This is now expected to form part of the Department's review of the PCC programme review.

**Recommendation 19.6**

The HSE should implement a comprehensive booking system in all operational PCCs, on a timely basis, to facilitate the effective management and monitoring of usage.

**HSE Chief Executive Officer's response**

Agreed.

The HSE acknowledges the recommendation to implement a comprehensive booking system and space utilisation system across all operational PCCs to facilitate effective management and monitoring of space utilisation.

A centralised booking system and space utilisation system would provide valuable data on actual room usage, support operational planning and enable more efficient allocation of resources.

The HSE has piloted a space utilisation programme in selected PCCs to assess feasibility, functionality and benefits. Lessons learned from these pilots are informing the wider rollout.

The HSE will consider the costs and resource implications associated with implementing a centralised booking system (booking and space utilisation) across all PCCs, ensuring that any programme introduced delivers value for money while enhancing operational oversight and management of facilities.

**Timeline for implementation**

The HSE will consider this within the context of the Department of Health's review of the PCC programme, scheduled for completion in 2026.

## Annex 19A HSE listing of primary care centre locations as at March 2019 and end 2024

Priority ranking	PCT location/name(s)	Delivery method	Status as at March 2019	Status as at December 2024	Year of operation
1	Knocknaheeny Gurranebraher City Centre	HSE-owned	●	● Operational	2018
2	Finglas South and West	HSE-owned	●	● Advanced planning	
3	Rowlagh	HSE-owned	●	● Early planning	
4	Clondalkin (Boot Road)	Lease	●	● Operational	2024
4 <sup>a</sup>	Clondalkin (Steeple House)	Lease	N/A in 2019	● Operational	2020
5	Rialto/The Coombe	Lease	●	● Operational	2020
6	Dungloe (Dungloe PCT)	Lease	●	● Early planning	
7	Kilnamanagh/Tymon (Junction House)	Lease	●	● Operational	2018
8	Citywest/Rathcoole/Saggart	Lease	No status	● Advanced planning	
9	Springfield (Tallaght)	Lease	●	● Operational	2016
10	Ballyjamesduff	N/A	No status	✘ Merged/not required	
11	Rathdrum	Lease	●	● Operational	2021
12	Grangegorman	HSE-owned	●	● Operational	2018
13	Edenderry (Incorporating Derrinturrian — KWW) <sup>b</sup>	Lease	●	● Early planning	
14	Corduff	HSE-owned	●	● Operational	2016
15	Cashel Road/Walkinstown (Crumlin)	Lease	●	● Operational	2018
16	Coolock South combined With Coolock North	PPP	●	● Operational	2018
17	East Sligo (Ballymote)	PPP	●	● Operational	2018
18	Lifford	N/A	No status	✘ Merged/not required	
19	Curlew Road Drimnagh	HSE-owned	No status	● Advanced planning	
20	Newtowncunningham (Lagan Valley PCT)	HSE-owned	●	● Operational	2022
21	Derrybeg/Bunbeg	Lease	●	● Under review	
22	Erris	Lease	No status	● Early planning	
23	Coolock North combined with Coolock South	N/A	✘	✘ Merged/not required	
24	Tipperary Town	Lease	●	● Operational	2016
25	Wexford Town	PPP	●	● Operational	2018

Priority ranking	PCT location/name(s)	Delivery method	Status as at March 2019	Status as at December 2024	Year of operation
26	Ballymahon	Lease	●	● Early planning	
27	Buncrana (Buncrana PCT)	Lease	●	● Operational	2022
28	Monaghan	HSE-owned	●	● Operational	2023
29	Ballinrobe	PPP	●	● Operational	2018
30	Dundalk	Lease	●	● Advanced planning	
31	NE Inner City (Summerhill)	PPP	●	● Operational	2019
32	Killashandra	Lease	●	● Operational	2023
33	Ballyphehane/Togher/Greenmount/The Lough	Lease	●	● Early planning	
34	South Wicklow/Carnew	Lease	●	● Operational	2016
35	Rathangan	Lease	●	● Operational	2015
36	Edgeworthstown	Lease	No status	● Early planning	—
37	Limerick City (Market 1 & 2 — Garryowen)	HSE-owned	No status	● Advanced planning	—
38	North Kerry/Listowel	Lease	●	● Operational	2021
39	Westport	PPP	●	● Operational	2018
40	Glasthule/Sallynoggin (Dun Laoghaire)	Lease	●	● Operational	2023
41	Laytown/Bettystown	Lease	●	● Operational	2023
42	Gort	Lease	No status	● Early planning	—
43	Balbriggan	Lease	●	● Operational	2017
44	Drogheda South	N/A	No status	✘ Merged/not required	—
45	Carrickmacross	Lease	●	● Operational	2022
46	Arklow	Lease	●	● Operational	2023
47	Limerick City (Ballinacurra, Weston)	PPP	●	● Operational	2018
48	Carndonagh (Carndonagh/Clonmany PCT)	N/A	No status	✘ Merged/not required	—
49	South Connemara		No status	● Under review	—
50	Dunfanaghy/Falcarragh	Lease	●	● Operational	2024
51	Enniscorthy	Lease	●	● Operational	2022
52	Carrick On Suir	PPP	●	● Operational	2018
53	Edenmore (east of Coolock)	Lease	●	● Operational	2020
54	Portumna	Lease	●	● Early planning	—
55	Kilkee	N/A	No status	✘ Merged/not required	—

Priority ranking	PCT location/name(s)	Delivery method	Status as at March 2019	Status as at December 2024	Year of operation
56	Ballyshannon	HSE-owned	●	● Operational	2015
57	Delvin	N/A	No status	✘ Merged/not required	—
58	Ballyhaunis	Lease	●	● In construction	—
59	Crossmolina	HSE-owned	No status	● Under review	—
60	Borris/Rathdowney	Lease	No status	● Early planning	—
61	Birr	Lease	●	● In construction	—
62	Iveragh (Cahirciveen)	Lease	●	● Early planning	—
63	Fethard (Slieve Ardagh)	Lease	No status	● In construction	—
64	Gowran/Graiguenamanagh/ Borris/Courtnellan	Lease	No status	● Early planning	—
65	Beara (Castletownbearhaven)	Lease	●	● Operational	2022
66	Mountrath	HSE-owned	No status	● Early planning	—
67	Kiltimagh	N/A	No status	✘ Merged/not required	—
68	New Ross	Lease	●	● Early planning	—
69	Old County Road/Parnell Road Crumlin	N/A	No status	✘ Merged/not required	—
70	Clonmel	HSE-owned	No status	● Early planning	—
71	Tullow Rathvilly Hacketstown	Lease	●	● Early planning	—
72	Dungarvan	PPP	●	● Operational	2018
73	Sixmilebridge, County Clare	Lease	●	● Early planning	—
74	Ballina/Killaloe/Newport, County Clare	Lease	●	● Early planning	—
75	North Sligo (Drumcliffe)	HSE-owned	●	● Operational	2022
75 <sup>a</sup>	North Sligo (Grange)	HSE-owned	N/A in 2019	● Operational	2023
76	Castlebar	Lease	●	● Operational	2016
77	Claremorris	PPP	●	● Operational	2018
78	Ennis 1 (Station Road)	Lease	●	● Operational	2022
78 <sup>a</sup>	Ennis 2 (Tulla Road)	Lease	N/A in 2019	● Early planning	—
79	Wicklow	Lease	●	● Operational	2015
80	Killarney	Lease	No status	● Early planning	—
81	Gorey (Family Practice)	Lease	●	● Early planning	—
82	Thomastown/Ballyhale	Lease	●	● Operational	2022
83	Clonakilty	Lease	●	● Operational	2020
84	Fermoy	Lease	●	● Operational	2022
85	Cobh	Lease	●	● Operational	2023

Priority ranking	PCT location/name(s)	Delivery method	Status as at March 2019	Status as at December 2024	Year of operation
86	Mullingar	Lease	●	● Operational	2017
87	Glenageary/Dun Laoghaire	N/A	No status	✘ Merged/not required	—
88	Whitehall/Santry	N/A	No status	✘ Merged/not required	—
89	Kilcullen	N/A	No status	✘ Merged/not required	—
90	Kildare Town	Lease	●	● Operational	2016
91	Ballineen	N/A	No status	✘ Merged/not required	—
92	South Leitrim (Ballinamore)	HSE-owned	●	● Operational	2015
93	Waterford City (East)	PPP	●	● Operational	2018
94	Drogheda North	Lease	●	● Operational	2018
95	Newmarket	Lease	●	● Operational	2021
96	South Sligo (Tubbercurry)	HSE-owned	No status	● Early planning	—
97	Tuam	PPP	●	● Operational	2017
98	Blanchardstown — Blakestown/Mountview	Lease	●	● Operational	2013
99	Ballyconnell	HSE-owned	●	● Early planning	—
100	Athy/Castledermot	Lease	●	● Operational	2020
101	West Waterford (Lismore)	Lease	No status	● Early planning	—
102	Waterford City 3/South Kilkenny (Ferrybank)	Lease	●	● Operational	2022
103	James Street (Pimlico, Liberties)	Lease	●	● Operational	2012
104	Moville (Moville PCT)	N/A	No status	✘ Merged/not required	—
105	Graigcullen	N/A	No status	✘ Merged/not required	—
106	Dublin North City — East Wall Village	N/A	No status	✘ Merged/not required	—
107	Baggot Street/Sandymount	Lease	●	● Advanced planning	—
108	Shankill	Lease	●	● Operational	2019
109	Carrigaline/Passage West	Lease	●	● Operational	2017
110	Oranmore	Lease	●	● Early planning	—
111	Bishopstown	Lease	No status	● Early planning	—
112	Kilcock	PPP	●	● Operational	2018
113	Moate	Lease	●	● Advanced planning	—

Priority ranking	PCT location/name(s)	Delivery method	Status as at March 2019	Status as at December 2024	Year of operation
114	Carrick-On-Shannon/Drumshanbo	Lease	●	● Operational	2021
115	Churchtown	Lease	●	● Operational	2012
116	Ashtown/Navan Road & Cabra West	Lease	●	● Operational	2015
117	Taghmon/Ballycullane	N/A	No status	✘ Merged/not required	—
118	Killorglin	N/A	No status	✘ Merged/not required	—
119	Castleisland	Lease	●	● Operational	2022
120	Rosslare	Lease	No status	● Early planning	—
121	Urlingford (Castlecomer/Freshford/Johnstown)	Lease	No status	● Early planning	—
122	Dublin North City — Inns Quay (Smithfield)	N/A	No status	✘ Merged/not required	—
123	Knocklyon/Rathfarnham (Ballyboden)	Lease	No status	● Operational	2022
124	Cork City (Mayfield/Montenotte/Dillons Cross)	Lease	No status	● Advanced planning	—
125	Tralee	Lease	●	● Operational	2020
126	Sligo Town 2	HSE-owned	●	● Operational	2022
127	Navan, Johnstown	N/A	No status	✘ Merged/not required	—
128	Navan Town	Lease	No status	● Advanced planning	—
129	Kells	Lease	●	● Operational	2016
130	Thurles	Lease	●	● Operational	2022
131	Baltinglass/Dunlavin	Lease	●	● Operational	2021
132	Blessington	Lease	●	● Operational	2017
133	Killester (Howth Rd)	Lease	No status	● Early planning	—
134	Abbeyleix/Durrow	Lease	No status	● Early planning	—
135	Swords	Lease	No status	● Early planning	—
136	Castleblayney	Lease	No status	● Advanced planning	—
137	Bunclody	N/A	No status	✘ Merged/not required	—
138	Donegal Town	Lease	●	● Operational	2022
139	Cabra East	N/A	No status	✘ Merged/not required	—
140	Millmount/Glasnevin	Lease	No status	● Early planning	—
141	Brookfield/Fettercairn, Tallaght	N/A	No status	✘ Merged/not required	—
142	Limerick City (Castletroy)	Lease	●	● Operational	2019

Priority ranking	PCT location/name(s)	Delivery method	Status as at March 2019	Status as at December 2024	Year of operation
143	Ballincollig	Lease	●	● Operational	2022
144	Rathmines	Lease	No status	● Advanced planning	—
145	Leixlip	Lease	No status	● Early planning	—
146	Greystones	HSE-owned	No status	● Advanced planning	—
147	Athlone	Lease	●	● Operational	2014
148	Charleville	Lease	●	● Operational	2016
149	Newcastlewest	Lease	●	● Operational	2024
150	Newbridge	Lease	●	● Operational	2013
151	Bandon	Lease	●	● Operational	2022
152	Ongar, Blanchardstown	Lease	No status	● Early planning	—
153	Kilkenny City 3 (East)	Lease	●	● Operational	2021
154	Cork City (Blackpool, The Glen, Carrignavar)	N/A	No status	✘ Merged/not required	—
155	Youghal	Lease	No status	● Early planning	—
156	Glenamaddy	N/A	No status	✘ Merged/not required	—
157	Dublin North City — North Strand/East Wall	HSE-owned	No status	● Under review	—
158	Killinarden/Oldbawn, Tallaght	N/A	No status	✘ Merged/not required	—
159	Portmarnock	Lease	●	● Operational	2017
160	Cahir	Lease	●	● Operational	2020
161	Midleton	Lease	No status	● Advanced planning	—
162	Dunleer/Clogherhead	N/A	No status	✘ Merged/not required	—
163	Ballickmoyler		No status	● Under review	—
164	Finglas North & Ballygall	N/A	No status	✘ Merged/not required	—
165	Headford	Lease	No status	● Early planning	—
166	Portlaoise	HSE-owned	No status	● Advanced planning	—
167	Kinsale	Lease	●	● Operational	2014
168	North Leitrim/West Cavan (Manorhamilton)	HSE-owned	●	● Operational	2014
169	Freshford/Johnstown/Castlecomer	HSE-owned	No status	● Advanced planning	—

Priority ranking	PCT location/name(s)	Delivery method	Status as at March 2019	Status as at December 2024	Year of operation
170	Kilmacthomas/Portlaw	N/A	No status	✗ Merged/not required	—
171	Ennistymon	Lease	●	● Early planning	—
172	Cork City (Douglas/Frankfield/Grange)	Lease	No status	● Advanced planning	—
173	Terenure Village/Harolds Cross	Lease	No status	● Early planning	—
174	Glanmire/Riverstown	Lease	No status	● Advanced planning	—
175	Lucan Esker (Incorporate St. Helen's with Lucan)	Lease	No status	● Early planning	—
176	Lucan Heights/ Lucan Esker	N/A	No status	✗ Merged/not required	—
177	Bantry	Lease	●	● Operational	2021
178	Clane/Kilmeague	Lease	●	● Operational	2014
179	Bride Street/Liberties (Meath Hospital)	Lease	●	● Operational	2014
180	Kanturk	Lease	●	● Early planning	—
181	Croom	Lease	●	● Operational	2021
182	Cappamore (Caherconlish)	Lease	●	● Early planning	—
183	East Clare — Scarriff	HSE-owned	No status	● Early planning	—
184	Loughrea	HSE-owned	●	● Operational	2014
185	Enfield	HSE-owned	●	● Operational	2013
186	Donaghmede	N/A	No status	✗ Merged/not required	—
187	Ballybay	Lease	No status	● In construction	—
188	Donnybrook/Ranelagh	Lease	●	● Early planning	—
189	Tullamore	Lease	●	● Operational	2018
190	Marino (Fairview)	Lease	No status	● Early planning	—
191	Summerhill, Co Meath	Lease	●	● Operational	2014
192	Maynooth	Lease	No status	● Early planning	—
193	Ratoath	N/A	No status	✗ Merged/not required	—
194	Galway City West	Lease	●	● Early planning	—
195	Stradbally		No status	● Under review	—
196	St.Endas/Rathfarnham	N/A	No status	✗ Merged/not required	—
197	Carrigtowhill	Lease	●	● Operational	2019
198	Sutton	N/A	No status	✗ Merged/not required	—

Priority ranking	PCT location/name(s)	Delivery method	Status as at March 2019	Status as at December 2024	Year of operation
199	Kinsealy	Lease	No status	● Under review	—
200	Castleknock	N/A	No status	✘ Merged/not required	—
201	Mountbellew	Lease	●	● Operational	2016
202	Finn Valley		No status	● Under review	—
203	Millstreet	Lease	No status	● Early planning	—
204	Shannon		No status	● Under review	—
205	Athboy	N/A	No status	✘ Merged/not required	—
206	Oughterard	Lease	No status	● Early planning	—
207	Castlegar/Bailefoile	N/A	No status	✘ Merged/not required	—
208	The Ward	N/A	No status	✘ Merged/not required	—
209	Malahide	Lease	No status	● Early planning	—
210	Stillorgan/Foxrock	Lease	No status	● Early planning	—
211	Galway City West (Shantalla/City Centre)	Lease	No status	● Under review	—
212	Killybegs	Lease	No status	● Early planning	—
213	Jobstown, Tallaght	N/A	No status	✘ Merged/not required	—
214	Dunawley/Deansrath	N/A	No status	✘ Merged/not required	—
215	Glin	Lease	No status	● Early planning	—
216	Ballybrack/Loughlinstown	Lease	●	● Early planning	—
217	Central Sligo		No status	● Under review	—
218	Buttevant	N/A	No status	✘ Merged/not required	—
219	Baldoyle/Clongriffin (North Fringe) Belmayne	Lease	No status	● Early planning	—
220	Kilbeggan	Lease	●	● Operational	2024
221	Ballycummin 1 & 2 (Raheen) (Dooradoyle)	Lease	●	● Early planning	—
222	Skerries	HSE-owned	No status	● Advanced planning	—
223	Limerick City (Castle — Thomond; Ennis Road)		●	● Early planning	—
224	Millbrook, Tallaght	N/A	No status	✘ Merged/not required	—
225	Castlerea	Lease	●	● Operational	2012
226	Longford	Lease	●	● Operational	2013

Priority ranking	PCT location/name(s)	Delivery method	Status as at March 2019	Status as at December 2024	Year of operation
227	Bray	Lease	●	● Operational	2020
228	Castlebellingham	HSE-owned	No status	● Operational	2023
229	Celbridge	Lease	●	● Operational	2017
230	Ballinteer	N/A	No status	✘ Merged/not required	—
231	Blarney	Lease	●	● Early planning	—
232	Blackrock/ Monkstown/ Frascati/ Carysfort	N/A	No status	✘ Merged/not required	—
233	Limekiln/ Templeogue/ Terenure West	N/A	No status	✘ Merged/not required	—
234	Firhouse, Tallaght	N/A	No status	✘ Merged/not required	—
235	Clones	Lease	●	● Operational	2023
236	Kilmallock	Lease	●	● Operational	2020
237	Rathkeale	Lease	No status	● Early planning	—
238	Ballaghaderreen	Lease	●	● Early planning	—
239	Spiddal	Lease	No status	● Early planning	—
240	Eyrecourt	N/A	No status	✘ Merged/not required	—
241	Cloheen	N/A	No status	✘ Merged/not required	—
242	Swords North	Merge	No status	● Early planning	—
243	Boyle	PPP	●	● Operational	2018
244	Templemore	Lease	No status	● Under review	—
245	Claregalway	Lease	No status	● Early planning	—
246	Athenry	Lease	●	● Operational	2013
247	Clontarf	N/A	No status	✘ Merged/not required	—
248	Achill	Pre-existing in 2008	●	● Operational	<2008
249	Aran Islands	Pre-existing in 2008	●	● Operational	<2008
249 <sup>a</sup>	Aran Islands — Inis Mór	HSE-owned	N/A in 2019	● Early planning	—
250	Castlelyons	N/A	No status	✘ Merged/not required	—
251	Killiney	N/A	No status	✘ Merged/not required	—
252	Galvone (South Hill)		No status	● Under review	—
253	Bailieborough	HSE-owned	●	● Operational	2012
254	Kilbarrack	HSE-owned	No status	● Operational	2024

Priority ranking	PCT location/name(s)	Delivery method	Status as at March 2019	Status as at December 2024	Year of operation
255	Duleek	N/A	No status	✘ Merged/not required	—
256	Oldtown	Pre-existing in 2008	●	● Operational	<2008
257	Abbeyknockmoy	N/A	No status	✘ Merged/not required	—
258	Cabinteely/Deansgrange/Cornelscourt	Merge	No status	● Early planning	—
259	Banagher/Kilcormac	Lease	●	● Operational	2021
260	Moneygall/Shinrone	Pre-existing in 2008	●	● Operational	<2008
261	Fanad / Rosguill	Pre-existing in 2008	●	● Operational	>2008
262	Dundalk No 1	Merge	No status	● Advanced planning	—
263	Abbeyfeale	Lease	No status	● Early planning	—
264	Swinford		No status	● Under review	—
265	Cavan Town No 2	Lease	●	● Operational	2013
266	Roselawn, Blanchardstown	N/A	No status	✘ Merged/not required	—
267	Ballylanders	Pre-existing in 2008	●	● Operational	<2008
268	Roscrea	Lease	●	● Construction complete	—
269	Kilrush	Lease	No status	● Under review	—
270	Ferbane	N/A	No status	✘ Merged/not required	—
271	Dromcollogher	N/A	No status	✘ Merged/not required	—
272	Lusk	HSE-owned	No status	● Early planning	—
273	Donabate	Lease	No status	● Early planning	—
274	Limerick City (Ballynanty)	Pre-existing in 2008	●	● Operational	<2008
275	Clifden		No status	● Under review	—
276	Mulhuddart	N/A	No status	✘ Merged/not required	—
277	Virginia	Pre-existing in 2008	●	● Operational	2003
277 <sup>a</sup>	Virginia No 2	Lease	N/A in 2019	● Early planning	—
278	Charlestown	Pre-existing in 2008	●	● Operational	<2008
279	North Kerry 1 (Ballyheigue)	HSE-owned	●	● Operational	2017
280	Ardee	Pre-existing in 2008	●	● Operational	<2008
281	Rush	Pre-existing in 2008	●	● Operational	<2008
282	Borrisokane	HSE-owned	●	● Operational	2017

Priority ranking	PCT location/name(s)	Delivery method	Status as at March 2019	Status as at December 2024	Year of operation
283	North Clare (Ballyvaughan)	N/A	No status	✗ Merged/not required	—
284	Hartstown/Huntstown	N/A	No status	✗ Merged/not required	—
285	Dublin South City — Marks Lane/Pearse Street	HSE-owned	●	● Operational	2009
286	Nenagh	Pre-existing in 2008	●	● Operational	<2008
286	Nenagh	Lease	No status	● In construction	—
287	Hospital	Pre-existing in 2008	●	● Operational	<2008
288	Ballyfermot/Cherry Orchard	HSE-owned	●	● Operational	2012
289	Glenties	HSE-owned	●	● Operational	2012
290	Ballina	Lease	●	● Operational	2011
291	West Sligo	Pre-existing in 2008	●	● Operational	<2008
292	Strokestown	HSE-owned	●	● Operational	2010
293	Rosscarbery	Pre-existing in 2008	●	● Operational	<2008
294	Gorey (Avenue)	Lease	●	● Operational	2010
295	Gorey (Conal House)	Lease	●	● Operational	2012
296	Sligo Town	Pre-existing in 2008	●	● Operational	<2008
297	Limerick City (Westbury Co Clare)	Pre-existing in 2008	●	● Operational	<2008
298	Limerick City (Abbey St Mary's — King's Island)	Lease	●	● Operational	2012
299	West Kerry (Dingle)	Pre-existing in 2008	●	● Operational	<2008
300	Dunboyne	Pre-existing in 2008	●	● Operational	<2008
301	Ballymun	Lease purchase	●	● Operational	2006
302	Waterford City 1 (West)	Lease	●	● Operational	2010
303	Derrinturrian	N/A	No status	✗ Merged/not required	—
304	Clara	Pre-existing in 2008	●	● Operational	<2008
305	Ballinasloe	Pre-existing in 2008	●	● Operational	<2008
306	Dunmanway Drimoleague	Pre-existing in 2008	●	● Operational	<2008
307	Moycullen <sup>c</sup>	Pre-existing in 2008	●	● Operational	<2008
307	Moycullen	Lease	●	● Operational	2022
308	Mitchelstown	Lease	●	● Operational	2010
309	Cashel	Pre-existing in 2008	●	● Operational	<2008
310	Daingean	Pre-existing in 2008	●	● Operational	<2008
311	Carlow Town And South Carlow	Lease	●	● Operational	2011
312	Cootehill	HSE-owned	●	● Operational	2012

Priority ranking	PCT location/name(s)	Delivery method	Status as at March 2019	Status as at December 2024	Year of operation
313	Letterkenny	Lease	●	● Operational	2009
314	Mountmellick/Clonaslee	Lease	●	● Operational	2011
315	Inchicore	HSE-owned	●	● Operational	2011
316	Kingscourt	Lease	●	● Operational	2012
317	Cavan Town	Lease	●	● Operational	2012
318	Kinnegad	Lease	●	● Operational	2010
319	Skibbereen	Pre-existing in 2008	●	● Operational	<2008
320	Mizen/Schull	Lease	●	● Operational	2013
321	Macroom	Lease	●	● Operational	2012
322	Kenmare/Sneem	Lease	●	● Operational	2012
323	Monksland — South Roscommon	Lease	●	● Operational	2012
324	Cork City (Blackrock/Mahon)	Lease	●	● Operational	2011
325	Galway City East/Ballybaan	Lease	●	● Operational	2011
326	Dublin South City — Irishtown	HSE-owned	●	● Operational	2008
327	Kilkenny 1 (Ayrfield)	Lease	●	● Operational	2011
328	Mallow	Lease	●	● Operational	2010
329	Callan	Lease	●	● Operational	2011
330	Tramore	Lease	●	● Operational	2011
331	Carlingford	HSE-owned	●	● Operational	2012
332	Newtownmountkennedy	Lease	●	● Operational	2010
333	Portarlinton	Lease	●	● Operational	2011
334	Roscommon	Lease	●	● Operational	2011
335	Trim	Lease	●	● Operational	2010
336	Balally/Milltown	Lease	●	● Operational	2009
337	Ballyogan/Leopardstown	Lease	●	● Operational	2010
338	Naas	Lease	●	● Operational	2011
339	Dunshaughlin	HSE-owned	●	● Operational	2012
340	Ashbourne	Lease	●	● Operational	2013
N/A	Inis Oirr	HSE-owned	●	● Operational	2009
N/A	Adamstown <sup>d</sup>	Lease	N/A in 2019	● Advanced planning	—
N/A	Mohill	N/A	No status	✘ Merged/not required	—
N/A	Granard	Lease	No status	● Early planning	—

Priority ranking	PCT location/name(s)	Delivery method	Status as at March 2019	Status as at December 2024	Year of operation
N/A	Collooney		No status	● Under review	—
N/A	Rathfarnham	Short term lease	✕ <sup>e</sup>	✕ Merged/not required	—
N/A	Ferns	N/A	No status	✕ Merged/not required	—
N/A	Cherrywood	Under review	No status	● Early planning	—
N/A	Inisbofin	HSE-owned	●	● Early planning	—
● Operational	● In progress/planning	● Under review for development		✕ Merged/not required	

Source: Health Service Executive. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a Duplicated ranking numbers represent two PCC requirements for the one ranked location. Since March 2019, five locations have been identified for a second PCC to meet service requirements. In each instance, the second PCC location was added to the list under the same priority ranking number.
  - b KWW is a HSE reference for Kildare/West Wicklow.
  - c In August 2025, the old Moycullen health centre was fully decanted into the new centre. The old premises is due to be surrendered to the landlord in September 2025.
  - d Adamstown was identified as a new location for a PCC due to population growth as it is a newly developed town.
  - e Disposed of in August 2018.



## 20 Grant funding of remote working hubs

- 20.1** Remote working hubs are premises that offer shared facilities, services and supports for office workers, as an alternative to either working in a traditional office environment or working from home.
- 20.2** In 2018, the DigiWest Hub project was initiated to connect several existing rural remote working hubs across Roscommon, Donegal, Mayo and Sligo. The project was funded by the Department of Rural and Community Development and the Gaeltacht (the Department) and managed by the Western Development Commission (WDC) in collaboration with the respective local authorities.<sup>1</sup> Separate to the DigiWest Hub project, Údarás na Gaeltachta was operating several remote working hubs in Gaeltacht areas of Galway and Donegal, prior to 2021.<sup>2</sup>
- 20.3** The national policy on rural development 2021 – 2025, includes a commitment to establish a national network of 400 remote working hubs by the end of 2025.<sup>3</sup> In 2021, the DigiWest Hub project was expanded to form the basis for a national network of remote working hubs, referred to as the Connected Hubs network.

### Focus of the examination

- 20.4** This examination was undertaken to review the compliance with the funding framework in place for the delivery and operation of remote working hubs.
- 20.5** The examination team met with staff from the Department, the WDC and Údarás na Gaeltachta, reviewed relevant documentation and visited a sample of ten remote working hubs as part of the examination.

<sup>1</sup> The Western Development Commission is a statutory agency operating under the aegis of the Department.

<sup>2</sup> Údarás na Gaeltachta is the State development agency with responsibility for the economic, social and cultural development of Ireland's Gaeltacht (Irish-language speaking) regions.

<sup>3</sup> [Our Rural Future: Rural Development Policy 2021 – 2025](#).

<sup>4</sup> The questions relate to matters such as hub type, ownership model, employee numbers, IT facilities, broadband service, etc.

### Connected Hubs network

- 20.6** The Connected Hubs project is managed by the WDC in conjunction with the Department. As at mid-August 2025, it brings 392 individual hubs together under a shared brand, with the aim of maximising the potential benefits of a national remote working network. Neither the Department nor the WDC have any role in the building, management or day-to-day operation of the individual hubs on the network.
- 20.7** Hubs wishing to join the Connected Hubs network are asked to complete a series of questions online.<sup>4</sup> The WDC then engages directly with the hub to ensure that all requirements of network membership are met, and that quality control is maintained. If a hub is deemed not to be ready for network membership, the WDC supports the hub in implementing necessary improvements to reach the required standard.

**20.8** A five-category framework for hubs, developed by the WDC, classifies the hubs in terms of additional facilities offered (see Figure 20.1).

- **Research and development hub** — supports early research and development stages for new products and services with additional access to laboratories, etc.
- **Enterprise hub** — supports start-ups and may host events to connect entrepreneurs.
- **Scaling hub** — supports post start-ups through the scaling and investment stages, to achieve growth and export development. May host global entrepreneurship events and programmes.
- **Co-working hub** — provides private offices, desks, meeting rooms and event spaces but not business support.
- **Community and enterprise hub** — provides community services, while also offering office space, hot/dedicated desks and meeting rooms, providing an income for the community.

1 The Department provided €2.9 million in operational funding to the WDC to manage the network and operate the online platform between 2021 and 2024.

2 When making a booking, users have the option to pay with a credit or debit card, Apple Pay or Google Pay.

3 Just over one-third of the hubs on the network have chosen not to avail of the platform's centralised booking facility. In those cases, all bookings and payments must be made directly with the hubs.

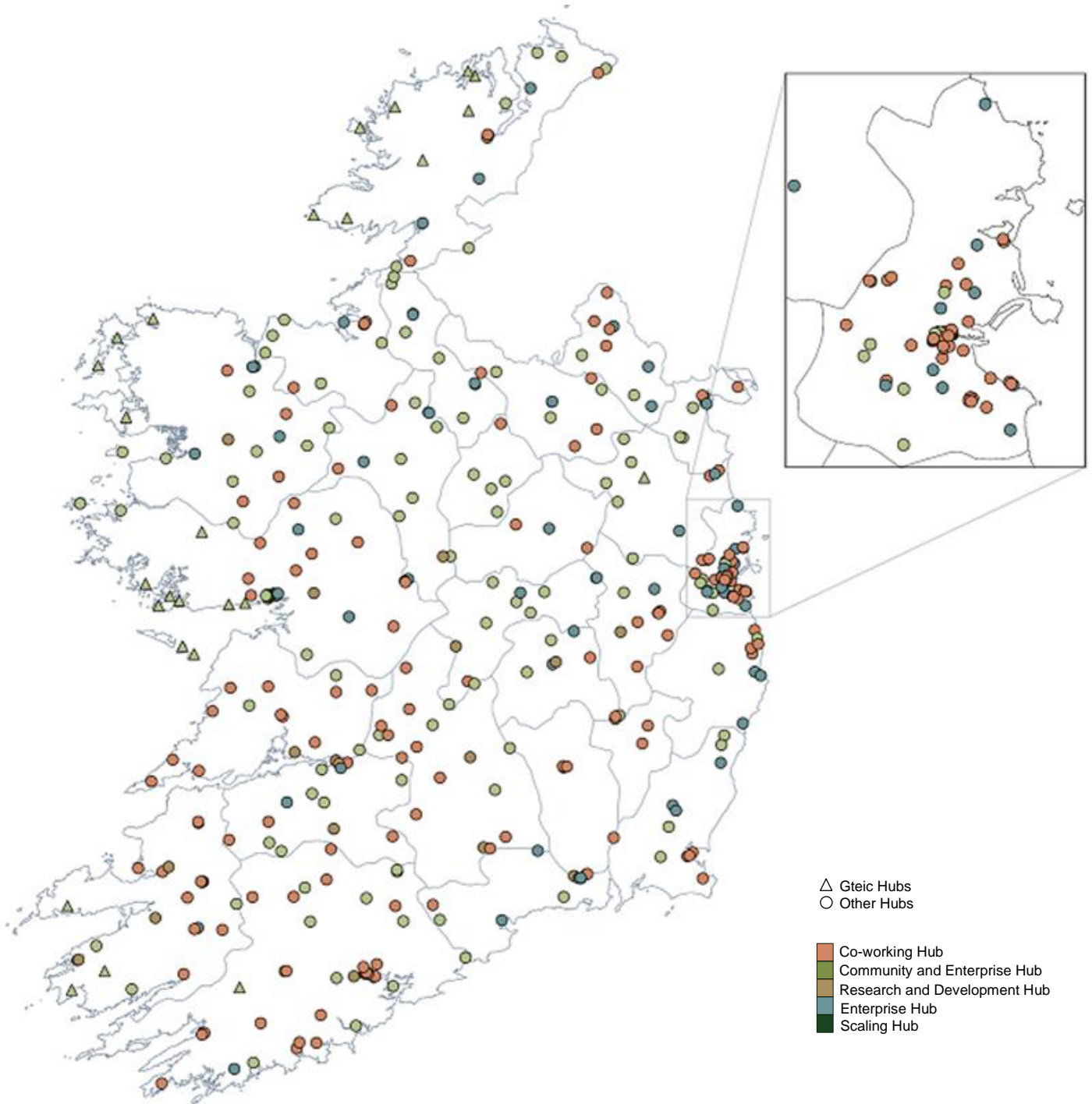
4 The five gteic hubs that operate outside of the Connected Hubs network are located in An Clochán Liath, Gaoth Sáile, Árainn, Oileán Cléire and Rath Cairn.

**20.9** The [connectedhubs.ie](https://connectedhubs.ie) online platform, launched in May 2021, is managed by the WDC.<sup>1</sup> The platform provides a centralised system for remote workers to search, book and pay online for the various remote working services in the hubs on the network.<sup>2</sup> Users of hubs can generally also book and pay for use of facilities directly with the hubs.<sup>3</sup>

**20.10** The WDC records the overall number of bookings made through the Connected Hubs platform and reports this figure fortnightly to the Department. It does not report on platform bookings by hub location, and it does not record or report on bookings made outside of the platform.

**20.11** The Connected Hubs network includes 26 gteic (or Gréasán Digiteach na Gaeltachta) hubs in Gaeltacht regions. There are five other gteic hubs that operate outside of the Connected Hubs network. Údarás na Gaeltachta stated that it is in the process of recruiting a dedicated team to manage the gteic hubs.<sup>4</sup>

Figure 20.1 Connected Hubs network locations as at August 2025



Source: Department of Rural and Community Development and the Gaeltacht

## Capital support schemes

- 20.12** The Department operates several capital support schemes which include the development of remote-working facilities among the range of items eligible for support.
- The Town and Village Renewal Scheme was introduced in 2016 with the overall aim of rejuvenating Ireland’s towns and villages and is managed by local authorities on behalf of the Department. Projects funded have included bringing vacant dwellings back into use as multi-purpose community spaces providing remote working facilities.
  - The Rural Regeneration and Development Fund is a commitment to invest €1 billion in rural Ireland over the 2019 – 2027 period. The fund invests in strategic projects that support job creation and address depopulation of rural communities.
  - The LEADER programme supports private enterprises and community groups that improve quality of life and economic activity in rural areas. The programme is delivered via local action groups in 28 sub-regional areas across the country.<sup>1</sup>
- 20.13** Figure 20.2 sets out the funding allocations from 2020 to 2024 across the Department’s ongoing capital schemes for projects that included a remote working facility.
- 20.14** Many of the projects funded under the schemes are wide-ranging and multifunctional, encompassing multiple services (e.g. youth centre, community centre, remote working facilities) within the same facility. As a result, the Department has stated that it is not possible to determine expenditure amounts relating specifically to the development of remote working facilities.

**Figure 20.2 Funding allocations for capital projects including a remote working element, 2020 – 2024**

Year	2020	2021	2022	2023	2024	Total	Total number of projects
	€m	€m	€m	€m	€m	€m	
Town and Village Renewal Scheme <sup>a</sup>	2.5	7.7	3.2	—	—	13.4	88
Rural Regeneration and Development Fund <sup>b</sup>	6.0	39.2	88.3	—	87.8	221.3	65
LEADER programme	0.7	0.6	0.5	0.1	—	1.9	30
<b>Total</b>	<b>9.2</b>	<b>47.5</b>	<b>92.0</b>	<b>0.1</b>	<b>87.8</b>	<b>236.6</b>	<b>183</b>

Source: Department of Rural and Community Development and the Gaeltacht

Notes: a None of the projects funded under the Town and Village Renewal Scheme in 2023 included a remote working facility. There was no funding call under the Scheme in 2024.

b There was no funding call in 2023 under the Rural Regeneration and Development Fund.

<sup>1</sup> Local action groups typically include both public and private partners. Group members may include local authority elected members and officials, business interests, representatives from the community and voluntary sector, and farming interests, etc.

## Funding for Connected Hubs

- 20.15** This examination focussed on the analysis of a dedicated funding initiative, under the Town and Village Renewal Scheme, to support the development of additional remote work capacity.

### *First call for applications*

- 20.16** In April 2021, the Department launched a call for funding applications, with a budget of €5 million, to support the creation of additional remote working capacity and to improve and enhance existing facilities and services.<sup>1</sup> The funding call was open to all existing hubs and broadband connection points (BCPs).<sup>2</sup>
- 20.17** Capital funding was available for eligible works including the expansion of hubs, and the installation of privacy booths, access control and security systems. Other eligible activities included the conversion of existing open plan space to modular offices, and the provision of enhanced audio visual, networking and conferencing facilities. Grants also funded measures to assist hubs with Covid-19 related challenges.
- 20.18** The minimum grant available per hub/BCP was €10,000. The maximum grant for a project relating to an individual hub/BCP was €75,000. For multi-hub applications relating to five or more hubs, the maximum grant was €250,000.
- 20.19** The budget was subsequently increased and ultimately a total of nearly €9 million in funding was awarded to 118 applicants.

### *Second call for applications*

- 20.20** In February 2022, the Department launched a second funding call, with a budget of €5 million, to support the further development of the Connected Hubs network. The scope of eligible works was similar to that for the 2021 call with a small number of additional items such as the provision of podcast studios.
- 20.21** Hubs that had received funding under the 2021 call, but where the works had not yet been completed, were not eligible for funding in the 2022 call. In total, the Department allocated funding of €5.1 million to 81 applicants.
- 20.22** For both funding calls, the Department encouraged applicants, where possible, to identify opportunities to deliver projects or works of a similar nature across multiple hubs/BCPs. For the 2022 call, multi-hub applications were required to include a minimum of three hubs or BCPs and a maximum of five hubs or BCPs. The grant limits that applied for the 2022 call are set out in Figure 20.3.

<sup>1</sup> Existing remote working hubs were required to be in operation for at least six months, unless exceptional circumstances were notified to the Department. Projects seeking funding for building new hubs or the regeneration of derelict or vacant buildings as hubs were directed to apply to the main Town and Village Renewal Scheme or the Rural Regeneration and Development Fund.

<sup>2</sup> BCPs are publicly accessible sites which have been selected by local authorities to receive high-speed connectivity under the National Broadband Plan in areas that do not have adequate broadband services. BCPs complement the hubs by providing the necessary connectivity for people to work from rural locations. Some hubs are collocated with BCPs or situated very near to them.

**Figure 20.3 Grant limits for 2022 Connected Hubs call**

Number of hubs	Grant amount	
	Minimum	Maximum
One	€10,000	€75,000
Three	€30,000	€200,000
Four	€40,000	€225,000
Five	€50,000	€250,000

Source: Department of Rural and Community Development and the Gaeltacht

### ***Funding agreement***

**20.23** Under both calls, funding was made available to recipients in two tranches. The first payment, amounting to 80% of the total award, issued on return by the recipient of a signed funding agreement with the Department. The final 20% was payable on receipt of required project completion documentation.<sup>1</sup>

**20.24** Commercial/for-profit hubs were required to provide 10% matched funding in the form of a cash contribution. Those hubs also had to provide a separate contribution, termed a 'community dividend', to the value of 25% of the approved grant over three years. The community dividend could take the form of discounted or cost-free use of hubs by social enterprises or students from local communities.

**20.25** Other hubs (i.e. those classed as social enterprise or not-for-profit hubs) were required to provide 10% matched funding, at least half of which had to be a cash contribution.

**20.26** The funding agreement stipulated that the lead party to the application will maintain an accurate account of the value of any capital or other expenditure incurred on the project, and separate accounts in relation to the public funds provided.<sup>2</sup> The agreement also provides that the lead party will collect indicators/metrics regarding project delivery on an ongoing basis, if requested by the Department, and make such data available to the Department.

**20.27** The examination team selected a representative sample of ten remote working hubs for review that had received funding under one or both Connected Hubs calls in 2021 and 2022.<sup>3</sup>

**20.28** In all cases, the examination found that the funding application submitted adequately specified the works to be completed and the associated costings; and that a satisfactory evaluation document was completed by the Department. There was also a signed funding agreement in all cases specifying the maximum funding allocated and the terms and conditions of funding.

<sup>1</sup> The project completion report required recipients to provide details of all individual invoices paid, but they were not required to submit the invoices. Recipients were instructed to retain invoices on file for inspection and audit purposes.

<sup>2</sup> Under the funding agreement, the 'lead party' to the successful application assumes full responsibility for the overall conduct of the project generally and in particular for ensuring compliance with funding terms and conditions. Any other parties to the successful application, termed 'associated parties', must also sign the funding agreement.

<sup>3</sup> The sample represented a mix in terms of hub sizes, ownership types and operating models, listed in Annex 20A.

### ***Controls over funding finalisation***

- 20.29** On completion of the work, the lead party was required to submit a project completion report containing
- an overview of the project
  - a list of the project elements delivered
  - a list of relevant invoice numbers
  - confirmation of project completion
  - photographic evidence of how funding has been applied<sup>1</sup>, and
  - final project costs.
- 20.30** The original invoices were to be retained by the recipient for inspection and audit purposes. The funding agreement notes that all funded projects are subject to potential audit by the Department, the Local Government Audit Service, the Comptroller and Auditor General or other appropriately authorised bodies for a period of six years from the date of project completion.
- 20.31** In accordance with the funding agreement, the Department or its agents may conduct site visits as part of its audit and compliance functions, which may not be notified in advance. The Department informed the examination team that it carried out 22 site visits in respect of the 2021 call to check that projects were progressing in line with funding conditions. Invoices were not inspected, and project expenditure was not vouched during those visits.
- 20.32** In all the sample cases reviewed, the examination team confirmed that a project completion report was submitted containing all required elements with one exception. One of the sample of ten hubs funded under the 2021 call did not have photographic evidence submitted with the project completion report.

### ***Clawback mechanisms***

- 20.33** The funding agreement sets out that projects are expected to start and finish in line with set timelines. Otherwise, the Department may de-commit funding allocated where the project is not completed within the specified time and where the Department's express agreement to extend the funding arrangement was not obtained in advance.
- 20.34** Six (of 118) projects approved under the 2021 call and two (of 81) approved under the 2022 call did not ultimately proceed. The Department recouped all the funding (€407,000) that it had provided in respect of those projects. A further €384,000 across both calls was returned by projects for various reasons e.g. items came in under budget or aspects of the project did not proceed.
- 20.35** From the sample of ten hubs selected for review, the examination team noted one instance where the Department informed the lead party, a local authority, that grant funding would be withdrawn. The site in question had been included as the main element of a six-location multi-hub application. The application resulted in a commitment of €250,000 in grant funding under the 2021 call, with the project due to be complete by the end of December 2021.<sup>2</sup>

<sup>1</sup> While the required information remained largely the same, the format of the template project completion report changed between the 2021 and 2022 calls. The 2021 template stated that photographic evidence should be appended. The 2022 template did not specify that photographic evidence was required.

<sup>2</sup> The other elements of the multi-hub application were four BCP sites and one remote working hub.

**20.36** The multi-hub application appears to diverge in some respects from what might be expected under the scheme.

- Given the Department's preference for multi-hub applications to include projects or works of a similar nature, it may be expected that the cost breakdown between the hubs/BCPs would be roughly equal. In fact, the site selected by the examination team accounted for €220,000 (73%) of the total cost of €302,000 for the six hubs.<sup>1</sup>
- While the works at the other five hubs/BCPs within the application were relatively minor (e.g. furniture, partitions, audio visual equipment, IT hardware etc.), significant construction work was envisaged at the site selected by the examination team.

**20.37** The Department has stated that the conditions of the funding scheme did not preclude a multi-hub application being weighted in favour of one hub/BCP. It stated that the decision to fund this project was taken with due regard to the benefit it would bring to this particularly remote rural and disadvantaged area in the Northwest.

**20.38** In accordance with the standard payment arrangements, 80% (€200,000) of the overall multi-hub funding was paid by the Department in August 2021, on receipt of the signed funding agreement, with the remaining 20% (€50,000) due on project completion. The Department's monitoring of the project delivery included the following.

- The Department has stated that it carried out site visits to three of the six locations (including the main site) within the multi-hub project on 5 November 2021. However, it stated that no report had been prepared by the officials undertaking the visits.
- In a November 2021 progress report to the Department, the local authority reported that the overall multi-hub project was 25% complete. The estimated completion date at that time was the end of March 2022. The Department agreed to extend the project completion date to 31 March 2022.
- In March 2022, the local authority informed the Department that none of the funding received for the main site within the project had been spent and that a large element of the work at that site would not be complete by the end of March 2022. The estimated overall cost for that site had also increased significantly (from €220,000 to nearly €350,000) — the local authority and Údarás na Gaeltachta (an associated party for the project) committed to funding the additional expenditure.
- In response, the Department notified the local authority that funding was to be withdrawn for the site in question, as the project had not commenced and would not be completed on time or within budget. The Department simultaneously requested that the 80% funding already provided be repaid.
- In May 2022, following representations from the local authority and Údarás na Gaeltachta, the Department agreed to reinstate the funding and extend the project completion date for the site in question to 31 December 2022. The project was completed before that extended deadline. The shortfall in overall funding was jointly borne by the local authority and Údarás na Gaeltachta.

<sup>1</sup> The grant approved under the 2021 call was for €250,000 of the €302,000 project cost. The remaining project cost was to be covered by the lead party (the local authority) and an associated party (Údarás na Gaeltachta).

- 20.39** One of the conditions in the funding agreement signed by the local authority and the associated parties was that the recipient must commit to membership of the Connected Hubs network for a minimum of three years following release of the final payment. However, the examination found that the site in question was not added to the network on completion. It was added to the network in August 2025.

### ***Controls to avoid double funding***

- 20.40** As funding for the development of remote working facilities is potentially available under several schemes, it is important for the Department to implement controls to avoid double funding.
- 20.41** There appears to be a particular risk of overlap between the Town and Village Renewal Scheme and the Rural Regeneration and Development Fund, as both apply to towns and villages with a population of less than 10,000.
- 20.42** The funding agreement for both Connected Hub calls state that the lead party to the application is fully responsible for ensuring that projects are not double funded i.e. costs for the same activity (or development) cannot be funded twice from any source, either public or private. Any funding received in such circumstances must be repaid to the Department.

- 20.43** The Department has stated that it has implemented several controls to mitigate the risk of double funding across schemes including
- requiring grant recipients to maintain separate accounts for different funding programmes
  - requiring copies of invoices and payments made for expenditure funded
  - monitoring adherence to the terms of funding agreements.

In addition, it stated that the scope of audits and inspections includes verification checks to ensure that double funding has not occurred.

### ***Purpose of funding***

- 20.44** The funding agreements stated that the funds allocated are to be used solely for the activities set out in the project proposal. Should expenditure not be in line with intended purposes, all funding received will become repayable to the Department.
- 20.45** More generally, the calls for proposals in both 2021 and 2022 stipulated that noncompliance with funding conditions may result in partial or full clawback of grant payments.

### ***Post-funding checks on projects***

- 20.46** The funding agreements under both calls also required recipients to maintain their legal structure and purpose as set out in their governing document and to commit to membership of the Connected Hubs network for a minimum of three years following receipt of funding. Otherwise, funding may have to be repaid.

- 20.47** The Department stated that it verified compliance with funding conditions through a combination of desk-based reviews and on-site inspections. It stated that desk-based reviews were carried out in respect of all 112 projects completed under the 2021 call and all 79 projects completed under the 2022 call. No post-funding site inspections took place in relation to any of the projects funded under the 2021 call. Five site visits were carried out by the Department's Internal Audit Unit to projects funded under the 2022 call.
- 20.48** The Department's Inspection, Compliance and Business Development Unit is responsible for the inspection of national schemes.<sup>1</sup> The Unit's inspection plan for 2024 – 2026 provides for inspections across a range of schemes including Connected Hubs, the Town and Village Renewal Scheme and the Rural Regeneration Development Fund. The plan notes that LEADER inspections will always be prioritised due to an EU regulatory requirement for spot checks on that programme.
- 20.49** Under the 2024 – 2026 plan, inspections of Connected Hubs were scheduled to take place during quarter 1 of 2025. The Department stated that the Unit's review of the Connected Hubs funding call is at the initial scoping stage. The first site inspections took place during August 2025 as part of the scoping exercise.
- 20.50** None of the sample of ten hubs visited as part of this examination indicated that they had ever been subject to an audit or site visit from the Department or any other entity to check their continued compliance with scheme conditions.

### *Internal audit report*

- 20.51** The examination team reviewed the findings of a 2023 report by the Department's Internal Audit Unit related to the 2022 Connected Hubs funding call, assessing the adequacy of controls implemented by the Department. Five applications that had received funding were reviewed by the internal auditors — two multi-hub applications and three for single hubs.
- 20.52** The report found the project documentation to be generally satisfactory but noted a risk of double funding on one of the five projects. Although it was a specific requirement of the funding agreement, a separate account had not been maintained by the recipient of how the Department's funding had been applied. The internal auditors recommended that the Department contact another specific funding body to establish whether a grant had been approved for the same project. The Department subsequently confirmed that it contacted the other funding body and satisfied itself that no double funding had occurred.
- 20.53** The internal audit report found that for four of the five projects reviewed, some of the expenditure had occurred after the scheme deadline.<sup>2</sup> The report recommended that the Department should consider taking action to recover all or part of the grant in those cases. However, the report's overall conclusion on this issue was that the timelines set for the funding call appear to have been too tight. As the applications were only approved in June 2022, grantees had less than six months to select suppliers, and have all works carried out, invoices paid, and facilities commissioned.

<sup>1</sup> The Inspection, Compliance and Business Unit was established in 2017. The inspection of Connected Hubs was incorporated into the Unit's inspection plan in April 2024.

<sup>2</sup> It was a condition of funding for projects under the 2022 Connected Hubs call that projects had to be fully completed with final reports submitted by 2 December 2022. For a project to be deemed fully complete, all invoices had to be paid.

- 20.54** The Department informed the examination team that it has reviewed the grant funding in each of the four cases highlighted by the internal auditors. Arising from the review, it is pursuing recovery of €39,305 from one local authority. The Department did not undertake any wider exercise to check whether invoice payment dates for remaining 74 projects fell outside scheme deadlines.
- 20.55** In response to a separate recommendation in the internal audit report, the Department agreed that in any future iterations of Connected Hubs funding calls, it should obtain copies of invoices from grant recipients prior to release of final payments.

## Conclusions

- 20.56** The Department has a goal to establish a national network of 400 remote working hubs by the end of 2025. At present, there are 392 hubs registered on the Connected Hubs network. This includes 26 gteic hubs providing remote working and other facilities for people living and/or working in the Gaeltacht.
- 20.57** An online platform ([connectedhubs.ie](https://connectedhubs.ie)) managed by the WDC offers a central portal for users to search, book and pay for a range of remote working services in hubs on the network. However, a substantial proportion of the hubs do not utilise the platform for bookings. For those that use the platform, the level of services booked through the platform for individual hubs is not reported by the WDC. In addition, hub members typically accept direct bookings, which are not always recorded on the platform. Consequently, it is not possible to identify the utilisation of the hub network, or how that relates to the level of public funding provided.

## Funding conditions

- 20.58** A coherent framework is required to ensure that funding is provided for defined purposes with clear conditions; double funding is avoided; effective post-project checks apply; and that safeguards are in place to protect State funding.
- 20.59** The examination team found that each of the Department's schemes supporting the development of remote working facilities had a clear purpose, as well as eligibility rules and funding conditions. Project documentation was found to be largely in order for the sample of ten hubs reviewed, although it was noted in one case that required photographic evidence of project completion had not been submitted.
- 20.60** The signed funding agreements for the Connected Hubs calls in 2021 and 2022 contained requirements to avoid double funding and included conditions that had to be satisfied (e.g. membership of Connected Hubs network, no change to legal structure and purpose) for three years beyond project completion.
- 20.61** The examination team found minimal evidence of checks carried out by the Department on whether recipients continued to satisfy eligibility conditions after project completion. The examination team found that one site completed in 2022 with substantial grant and other public funding had not been added to the network on completion. Following examination inquiries, the site was added to the Connected Hubs network in August 2025.

- 20.62** The funding conditions for the Connected Hubs calls specified several potential scenarios under which funding would be de-committed/repaid to the Department e.g. if projects were not completed on time or matched funding was not provided. In total, the Department recouped €791,000 across both calls in cases where projects did not proceed in whole or in part, or where items came in under budget.
- 20.63** The nature of one multi-hub application under the 2021 call reviewed by the examination team appeared to diverge from the general intention of the scheme. The call for proposals encouraged applicants to identify opportunities to include works of a similar nature within the same application. However, the works at one location were of a much larger scale than those at the other sites within the multi-hub application. The grant approved for that hub within the overall funding allocation far exceeded the maximum that would have applied had an application been submitted for that site alone. In response, the Department stated that the conditions of the funding scheme did not preclude a multi-hub application being weighted substantially in favour of one hub.

#### ***Internal audit***

- 20.64** A 2023 internal audit found that for four of the five projects reviewed, some of the expenditure had occurred after the scheme deadline. The internal audit report concluded that the timelines set out by the Department for the scheme appear to have been too tight. Having reviewed the grant funding provided in the four projects, the Department is now pursuing recovery of €39,305 from one local authority. The Department did not undertake any wider exercise to check whether invoice payment dates for remaining 74 projects fell outside scheme deadlines.
- 20.65** In response to a separate recommendation in the internal audit report, the Department agreed that in any future iterations of Connected Hubs calls, it should obtain copies of invoices from grant recipients prior to release of final payments.

## Annex 20A Remote working hub rates

Hub	Hot desk rates <sup>a</sup>			Notes
	Day	Week	Month	
Cootehill Digital Hub, Co Cavan	€24.39	N/a	N/a	Private pods can be booked at €24.39 per day.
eFermoy Centre, Co Cork	€15	€50	€200	A four-person meeting room is available to hot desk users at no additional charge.
gteic Gaoth Dobhair, Co Donegal	€15	€45	€150	Other hot desk rate options are available e.g. ten days over two-month period, €120. Meeting rooms of various sizes are available to hot desk users at no additional charge.
gteic Malinbeg, Co Donegal	€18	N/a	€200	One twelve-person and one 30-person meeting room can each be booked at €20 per hour.
M-Space, Malahide, Co Dublin	€35	N/a	N/a	Other hot desk rate options are available e.g. four day passes per month for €132 or eight day passes per month for €256. A four-person meeting room can be booked for 90 minutes (€50), half day (€95) or full day (€155).
Venture House, Crookstown, Co Kildare	€12.20	N/a	N/a	Daily rates are also available for dedicated desks (€20.33) and private pods (€28.46). Meeting rooms of various sizes can be booked at prices up to €150 per day.
Manor Fields, Adare, Co Limerick	€16.26	€65.04 <sup>b</sup>	N/a	Annual dedicated desks can be booked for a recurring monthly payment of €152.44. A twelve-person meeting room can be booked at €30 per hour.
Moneygall Community Hall, Co Offaly	€12.20	N/a	N/a	A two-person meeting room/study pod can be booked at €10 per hour.
The Spool Factory, Boyle, Co Roscommon	€20.33	N/a	N/a	Dedicated desks can also be booked at €20.33 per day. Meeting rooms of various sizes can be booked at prices up to €90 per day.
ACT Co-working Hub, Athlone, Co Westmeath	€12.20	€48.78	€178.86	Meeting rooms of various sizes can be booked at prices up to €120 per day.

Source: Connected Hubs online platform ([Connectedhubs.ie](https://connectedhubs.ie)), correct as at 19 September 2025

Notes: a All rates quoted exclude VAT. 'N/a' denotes that there was no rate for the relevant time period quoted on the [Connectedhubs.ie](https://connectedhubs.ie) site.

b The weekly rate shown for the Manor Fields Hub refers to a five-day flexi pass which can be used on any five days. The days need not be consecutive.



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## **Revenues of the State**

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## 21 Collection of motor vehicle taxes

**21.1** In 2024, there were around 3.1 million motor vehicles for use on public roads. Motor vehicle ownership is subject to a variety of taxes and duties which are summarised in Figure 21.1. The roles of the various State bodies in the administration and collection of motor vehicle taxes are explained further in Annex 21A.

**Figure 21.1 Summary of taxes and duties associated with motor vehicle ownership<sup>a</sup>**

Tax or duty	Applies	Based on	Collected by
Vehicle registration tax (VRT)	At registration	CO <sub>2</sub> emissions, NOx emissions <sup>b</sup> and open market selling price (OMSP) <sup>c</sup>	Office of the Revenue Commissioners
Value added tax (VAT)	On purchase	Vehicle price (new or imported)	Office of the Revenue Commissioners
Customs duty	On non-EU vehicle imports	Vehicle type and import value	Office of the Revenue Commissioners
Motor tax	Annually (but payable quarterly, half yearly or annually)	CO <sub>2</sub> emissions or engine size	Department of Transport and local authority motor tax offices

Source: Office of the Comptroller and Auditor General

Notes:

- a Excludes fuel taxes (excise duty, carbon tax and VAT) applied at the pump per litre of fuel and benefit in kind (BIK) liability for company car users based on vehicle value and emissions. These taxes are collected by the Revenue Commissioners.
- b For VRT category A vehicles (see Annex 21B).
- c For category A and B vehicles, the OMSP is the price, inclusive of all taxes and duties, which the vehicle might be expected to get on a first, arm's length sale in the open market in the State.

**21.2** A total of €1.9 billion in revenue was collected from vehicle registration tax (VRT) and motor tax in 2024. Over the period 2016 to 2024, while the number of vehicles on the road has increased by around 20%, motor tax receipts have fallen by almost 12% (see Figure 21.2).<sup>1</sup> Movement in VRT receipts was more variable, reflecting the rate of acquisition of new vehicles.

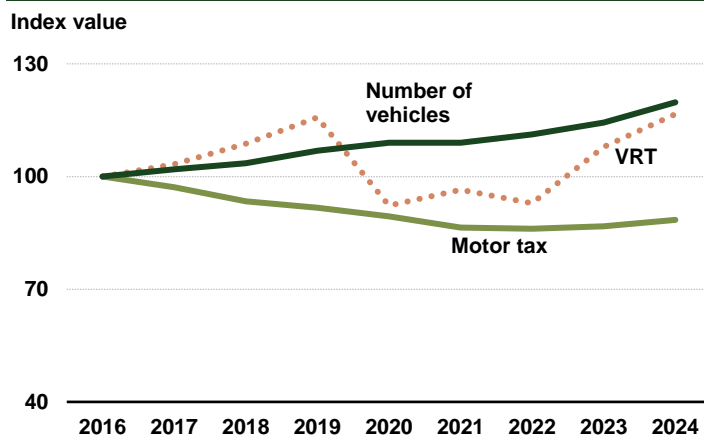
**21.3** The Department of Transport (the Department) accounts for the collection of motor tax receipts, and their subsequent transmission to the Exchequer, in the Motor Tax Account. The collection and allocation of VRT, VAT and customs duty associated with trade in motor vehicles are accounted for in the Account of the Receipt of the Revenue of the State by the Office of the Revenue Commissioners (Revenue). Both accounts are presented on a 'cash received' basis with limited accrual information presented in the notes to those accounts.

**21.4** The National Vehicle and Driver File (NVDF) is a database containing details of all registered vehicles and their owners as well as licensed drivers in the country. It is compiled and maintained by the Department. The NVDF is central to the processing of motor tax and driving licences.<sup>2</sup>

<sup>1</sup> A breakdown of VAT and Customs Duty collected in relation to motor vehicles is not available as traders are not required to provide a breakdown of these amounts in their tax returns.

<sup>2</sup> The NVDF also fulfils certain legal obligations in relation to the national driver and vehicle registers. See [Section 60, Finance Act 1993](#).

**Figure 21.2 Index of VRT receipts, motor tax receipts and number of vehicles 2016 – 2024 (2016 = 100)**



Source: Local Government Fund Accounts 2016 and 2017, Motor Tax Accounts 2018 to 2024, Department of Transport, Revenue Commissioners

## Focus and methodology

**21.5** I have previously reported at length on the administration and collection of motor tax.<sup>1,2</sup> Key findings from those reports were as follows.

- The overall cost of administering the motor tax system is not centrally compiled or reported. There was insufficient information available to accurately compare the costs of online and physical services.
- There had been no analysis of taxpayer behaviour e.g. the factors influencing the choice to use either online or physical payment methods, or the choice to renew motor tax for periods of less than 12 months (the cheapest option).
- The adoption of IT solutions may increase efficiency of motor tax collection.
- Owner identity and address information submitted when registering and/or taxing a motor vehicle is relied on for enforcement of road traffic offences and barrier-free tolling, and for safety purposes such as advising of vehicle recalls and national car test appointments. However, there is limited validation of the information provided by vehicle owners.
- The level of compliance with motor tax regulations in Ireland was not formally monitored and the impact of changes to regulations governing off-the-road declarations could not be ascertained.
- There was no process of regular National Vehicle and Driver File (NVDF) analysis to inform the development of motor tax policy and the enforcement of motor tax regulations.

<sup>1</sup> [Special report 97, Administration and Collection of Motor Tax](#), December 2016.

<sup>2</sup> [Report on the Accounts of the Public Services 2021, chapter 18, Motor tax receipts](#).

**21.6** Recommendations made in my first report (in 2016) were fully accepted for implementation, but progress in doing so has been very slow. The follow-up report (published in September 2022) found that just one of the original seven recommendations had been fully implemented. Three recommendations were in progress and for the remaining three, no progress had been made in their implementation.

- 21.7** In the circumstances, I had a concern that the controls in place in relation to the administration and collection of motor tax may not be adequate. I initiated this further examination to follow up on the current status of the implementation of the recommendations made in the 2016 report.
- 21.8** A further risk identified in relation to motor tax collection was the potential revenue impact of alleged bogus conversions of passenger vehicles, including some high-value models, to the less-heavily taxed category of commercial vehicles. Up to March 2024, responsibility for processing declarations in relation to the conversion of Irish registered vehicles was with the motor tax offices of local authorities. In March 2024, this responsibility transferred to Revenue.
- 21.9** The examination team reviewed documentation and interviewed staff in
- the Department to assess the adequacy of the controls in place over the administration and collection of motor tax (including vehicle conversions)
  - Revenue to assess the adequacy of controls now in place over vehicle conversions
  - the National Standards Authority of Ireland (NSAI) to gain an understanding of the approval process for Approved Test Centres (ATCs)
  - the Road Safety Authority to gain an understanding of the governance and supervision arrangements in place over the National Car Testing Service (NCTS) and the Commercial Vehicle Roadworthiness Test (CVRT)
  - An Garda Síochána to ascertain the extent to which a road-side check includes checking the classification of a vehicle.
- 21.10** Analysis presented in this report is based on data extracted from the NVDF by the Department for the period 2019 to 2024.

### Cost of collecting motor tax

#### **Recommendation 1**

*Establish the total cost of operating the motor tax system and the factors that influence that cost, in order to establish the relative efficiencies of alternative service provision models and to inform the planning of future service provision.*

**Status:** *Not implemented.*

- 21.11** The combined cost of administering the motor tax system is still not centrally compiled or reported.
- 21.12** Motor tax receipts are lodged to the motor tax account and subsequently transferred to the Central Fund of the Exchequer. The administration and operational costs incurred in running the motor tax system are not charged to the motor tax account.

- 21.13** Costs incurred by the Department in respect of motor tax collection are charged to Vote 31 Transport under subhead F.3 which is titled 'digital hub'. In 2024, the total costs incurred in respect of this subhead amounted to around €32 million. However, this includes costs not associated with the collection of motor tax such as driver licencing services. Furthermore, the subhead charges do not include Departmental pay costs associated with the collection of motor tax.
- 21.14** The costs of running motor tax offices incurred by the local authorities are reflected in their annual financial statements. These annual financial statements are amalgamated and published by the Department of Housing, Local Government and Heritage. For 2023, the reported total cost of running the motor tax offices at local authority level was almost €31 million.<sup>1</sup>

#### *Department's response*

- 21.15** The motor tax system is not the responsibility of a single Department or agency, and these roles have changed in the years since the 2016 report was published. The Department has a number of functions regarding motor tax, which also inter-link with other functions of the Department.
- 21.16** The NVDF supports motor tax collection, through its online service, [www.motortax.ie](http://www.motortax.ie) and the local authority motor tax office network. The NVDF also supports change of vehicle ownership, vehicle regulation and enforcement and international data exchange. Online motor tax is just one part of the service, so identifying motor tax technical costs is not straightforward.
- 21.17** Administrative costs for motor tax renewal have been substantially reduced through electronic motor tax renewal notices replacing paper-based forms. Online take-up was 87% in 2024, and the Department continues to explore options to increase this further. The Department is also working on moving to a paperless tax disc system which would significantly reduce postage costs.

### **Frequency of payment by basis of assessment**

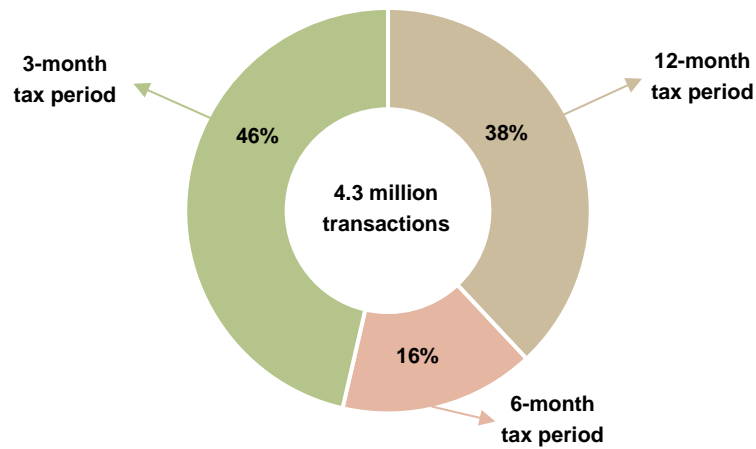
#### ***Recommendation 2***

*Analyse the factors influencing taxpayer behaviour, to inform the planning of the provision of services in future years, online and in motor tax offices.*

**Status:** *Part implemented.*

- 21.18** Vehicles can be taxed for periods of three, six or 12 months. However, taxing vehicles for shorter periods is more expensive for taxpayers, and results in higher processing costs for local authorities and the Department.
- 21.19** As can be seen in Figure 21.3, around 62% of private vehicle tax transactions were for periods of three or six months in 2024. It was recommended in 2016 that the factors influencing this behaviour should be analysed.

<sup>1</sup> [Amalgamated audited annual financial statements](#) for the 31 local authorities for the year ended 31 December 2023.

**Figure 21.3 Private vehicle tax transactions by duration of renewal, 2024**

Source: Department of Transport

### *Department's response*

- 21.20** The Department monitors the numbers of discs issued annually, half-yearly and quarterly (which is relatively consistent) and in 2018 analysed these by year of vehicle registration. This showed that older vehicles are less likely to be taxed annually. Possible reasons include affordability and vehicle reliability (potential to fail the National Car Test (NCT) etc).
- 21.21** The Department established a dedicated data and analytics function in January 2023. One of the objectives of this function is driving further analytical value from datasets such as the NVDF and working with partner agencies on operationalising the outputs from these. A dashboard developed by the data and analytics division shows the number of tax discs issued by tax class, tax bracket and whether the disc was annual, half yearly or quarterly.
- 21.22** The Department also stated that changes to the structure of the motor tax system and rates may influence payment decisions, however, motor tax policy, including the setting of motor tax rates and the surcharges for three- and six-month renewal periods, are the responsibility of the Minister for Finance. Any changes to current arrangements are made in a budgetary context, by the Government of the day and are subject to legislation.

## **Motor tax payments**

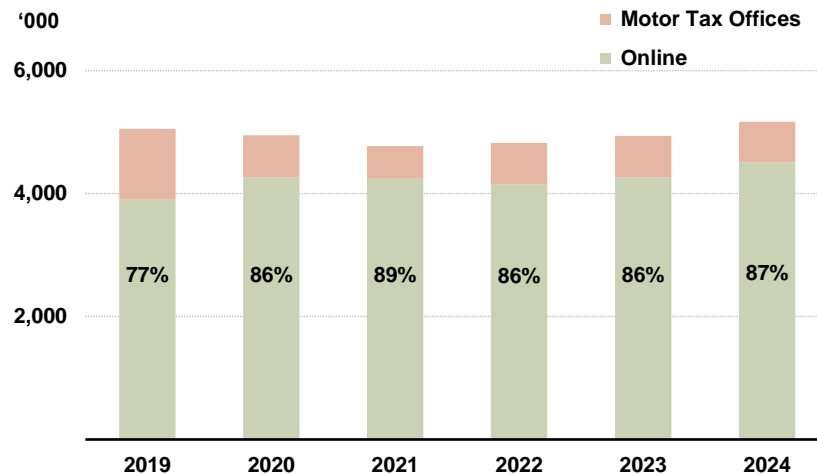
### **Recommendation 3**

*Establish the factors influencing the decision of a customer to use online or physical payment methods to identify barriers to increasing the efficiency of the motor tax collection system.*

**Status:** *Implemented.*

**21.23** Motor tax can be paid either online or in a local motor tax office. In 2024, there were 5.2 million motor tax payment transactions, of which around 87% were completed online (see Figure 21.4). This has increased from 77% online payment transactions in 2019, but almost all of the increase occurred in 2020. This appears initially to have been a reaction to Covid-19 restrictions, that then became established.

**Figure 21.4 Number of payment transactions online, 2019 to 2024<sup>a</sup>**



Source: Department of Transport

Note: a A single payment transaction can include more than one vehicle.

## Efficiency gains through using technology

### **Recommendation 4**

*Evaluate the potential for IT solutions to reduce the cost of operating the motor tax system.*

**Status:** *In progress.*

**21.24** The adoption of IT solutions may increase the efficiency of motor tax collection. For example, in 2024, the Department spent around €5.8 million on the printing and distributing of motor tax discs. In addition, the Department noted that there has been a 58% increase in postal costs over the last three years. The National Vehicle and Driver File Bill 2025 contains provisions that will remove the requirement for drivers to display a paper motor tax disc on vehicle windscreens. Subject to the approval of the Oireachtas, it is planned that the Bill will be enacted by the end of 2025. However, such systems will also require investment in technology to enable enforcement.

**21.25** Technology development is expensive, and any proposals to invest in new systems should be based on the prospective pay-back or net benefit to be achieved. Because the Department does not have a reliable system for understanding the cost of operating the motor tax collection system, it may not be in an optimum position to evaluate the cost-effectiveness of potential technology options.

*Department's response*

- 21.26** IT solutions have been used to reduce the cost of operating the motor tax system. Considerable savings — well over €3 million a year — have been realised by the introduction of electronic motor tax renewal notices (instead of postal notices). Additional motor tax categories have been made available on the online service thereby reducing the cost of collection, in particular for local authorities who manage the motor tax office network. The Department keeps its IT solutions under constant review.

**Quality of owner identification data****Recommendation 5**

*Enhance the validation of owner-identifying data stored on the NVDF to ensure that the data quality is fit for the purposes it is intended to serve.*

**Status:** *In progress.*

**Registration of ownership**

- 21.27** Registration of motor vehicles is a mandatory requirement in all EU member states.<sup>1</sup> Registration ensures that a motor vehicle can be readily identified, and that the owner can be traced. Vehicle ownership is recorded on the NVDF and evidenced through the vehicle registration certificate (or 'logbook').
- 21.28** The registered vehicle owner is the person liable for motor tax. Therefore, the accuracy of the data on the NVDF is a key element of the motor tax collection system. In addition, that data is essential for the enforcement of road traffic offences as well as vehicle safety recalls, national car tests and barrier-free tolling.
- 21.29** The 2016 report found that documentation to support the NVDF data was generally not required when registering or taxing a vehicle. It also found that there was little or no validation of the data submitted.
- 21.30** Authorised traders (motor dealers) handle the process of registering new vehicles purchased from them including the payment of VRT and the fitting of registration plates. Vehicle owners registering imported vehicles need to book an appointment with the NCTS at one of its centres where they pay the VRT and have the vehicle inspected.<sup>2</sup> In those cases, the NCTS issues the (Irish) registration number, and licence plates can be purchased at the centre.
- 21.31** Whether the vehicle is registered by an authorised trader or the vehicle owner themselves, the following information and supporting documentary evidence is required at registration<sup>3</sup>
- name and address — supported by evidence such as passport, bank statements or utility bills
  - Personal Public Service Number (PPSN) — such as a payslip, employment detail summary, or any documentation issued by Revenue that includes the PPSN.

<sup>1</sup> In the EU, car registration is a national competency, which means that each country has its own procedures and requirements.

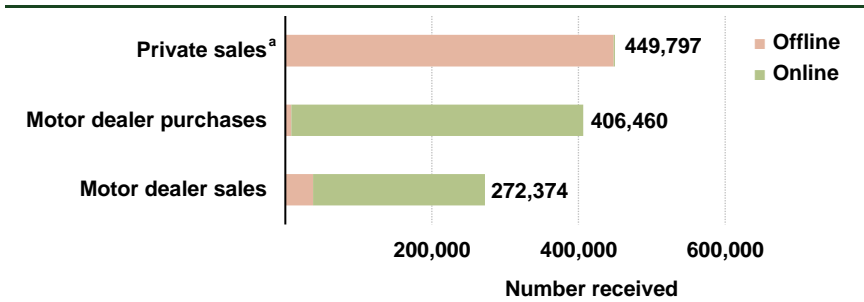
<sup>2</sup> The NCTS is appointed by Revenue to carry out vehicle registration functions on its behalf.

<sup>3</sup> The documentation required when registering a vehicle is set out in [SI 318/1992 Vehicle Registration and Taxation Regulations 1992](#).

### Change of ownership registration

**21.32** In 2024, the Department received a total of almost 1.13 million change of vehicle ownership notifications with around 56% of those notifications received online. Figure 21.5 provides a breakdown of the change of ownership transactions in 2024.

**Figure 21.5 Number of change of ownership transactions in 2024**



Source: Department of Transport

Note: a There were just over 2,000 change of ownership transactions completed online for private sales in 2024. The online system was introduced in September 2024.

1 Secure access to the NVDF's Change of Vehicle Ownership (CVO) online system is granted to motor dealers using a specific type of digital certificate which is provided through the Revenue Online Service (ROS). The change of ownership transactions submitted via the CVO system are digitally signed to confirm the authenticity and the privacy of the information submitted.

2 The facility can only be used by traders registered with the Department for access. Authorised traders must provide their VAT number and garage/dealer number to register for the online facility.

3 [SI 150/2008 Road Vehicles \(Registration and Licensing\) \(Amendment\) Regulations 2008](#).

4 MyGovID is a single account that lets an individual use services from many government departments. A PPSN number is required to set up a verified MyGovID account.

**21.33** The online service for authorised traders to notify changes in vehicle ownership to the NVDF has been available since 2008.<sup>1,2</sup> Authorised traders are required to keep the completed registration certificate (signed by both parties) or the notification of transfer form for a period of three years.<sup>3</sup> The purchaser is not required to provide any documentary evidence of identity to the motor trader. However, the Department did note that many authorised traders provide financing options to their customers, and where this is the case, the purchaser's identity is verified as part of that process.

**21.34** Since September 2024, private (non-trade) vehicle owners can also transfer vehicle registration to another private owner online. For these transfers, the current owner initiates the transfer by entering the vehicle registration number and vehicle registration certificate serial number. The details are checked to the NVDF, verifying that they are the recorded vehicle owner. Once the details match the NVDF record, a one-time transfer PIN is emailed to the seller's email address as recorded on the NVDF. The seller then shares this PIN with the buyer and the buyer then logs in using a verified MyGovID account to complete the transfer, thereby also verifying their identity.<sup>4</sup>

**21.35** Change of ownership is generally completed offline. Both the buyer and the seller must complete and sign the change of ownership section on the back of the vehicle registration certificate (or logbook) and the seller posts it to the Department in Shannon. The buyer is not required to submit proof of identity. Once the NVDF has been updated, the registration certificate is sent to the new registered owner at the address provided.

*Department's response*

- 21.36** Vehicle owner identity verification provisions are included in Part 3 of the Road Traffic and Roads Act 2023.<sup>1</sup> These provisions were commenced in March 2025. The regulations will follow when the operational and system changes to enable these processes are in place. Work is underway to identify the requirements for regulations to validate the vehicle owner as well as operational implementation of those regulations.
- 21.37** The provisions allow for the capture of a driver number, or failing that, a PPSN to establish the vehicle owner. It will enable a link from vehicle ownership records to driver licence records and improve enforcement, service of fixed charge notices and allocation of penalty points and recording of disqualifications on driver licence records. Further innovations of this nature will be explored as we modernise our systems.

**Measuring motor tax compliance*****Recommendation 6***

*Evaluate methods of assessing motor tax compliance rates in Ireland and commence regular periodic monitoring of the rate of compliance with motor tax regulations.*

**Status:** *This recommendation has not yet been implemented.*

- 21.38** The level of compliance with motor tax regulations in Ireland is not formally monitored or reported. Information on the level of compliance with motor tax regulations — e.g. percentage of vehicles on the road not currently taxed — is necessary to evaluate the effectiveness of the regulations and may inform the approach to their enforcement.

*Department's response*

- 21.39** The information available to the Department is the listing of taxed vehicles and those declared off-the-road. Anomalies in the number of taxed vehicles and the number of vehicles declared off-the-road arise for several reasons, of which tax evasion is only one. An Garda Síochána and local authorities enforce motor tax compliance but as far as the Department is aware, neither currently estimate the level of non-compliance or evasion.

***Motor tax arrears***

- 21.40** For new or imported vehicles, liability for road tax arises from the date the vehicle is first used in a public place after it has been registered with Revenue. Subsequently, if a vehicle is declared off-the-road, motor tax is due from the current month in which the owner wants to tax the vehicle (this ends the period of non-use) or, if a vehicle is changing ownership, motor tax is due from the date of the sale.

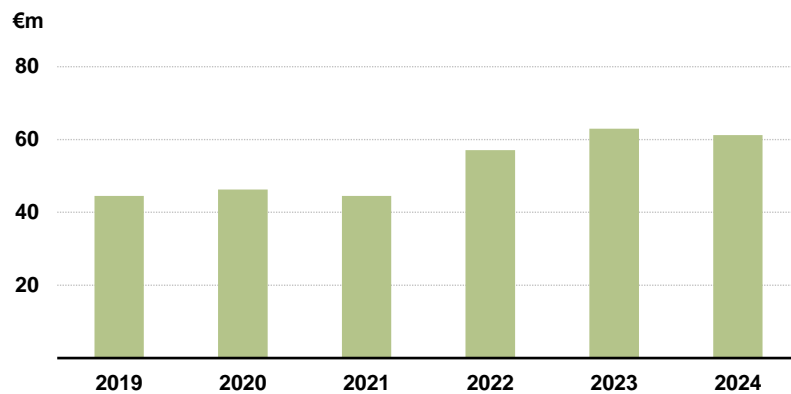
<sup>1</sup> [Road Traffic and Roads Act 2023](#).

**21.41** If a month or more has lapsed between the expiry of the last tax disc and the month in which the vehicle owner wants to re-tax the vehicle, motor tax arrears are charged. Arrears are payable at a monthly rate of one tenth of the applicable annual rate, from one month after the tax renewal date.<sup>1</sup>

**21.42** Figure 21.6 sets out the total amount of motor tax arrears paid over the period 2019 to 2024. The amount of arrears collected in 2024 was just over €60 million. Information on the total amount of motor tax unpaid in each year, or outstanding at any point in time, is not readily available.

**21.43** The Department shares the details of untaxed vehicles with An Garda Síochána for enforcement purposes. Otherwise, it has no formal process in place to follow-up on any arrears outstanding e.g. issue of reminders. The Department stated that it will consider and evaluate options to introduce digital enforcement but that legislative change would be required for this to proceed.

**Figure 21.6 Payment of motor tax arrears, 2019 – 2024**



Source: Department of Transport

### ***Impact of change in ownership on arrears***

**21.44** Arrears of tax are not charged when there has been a change of ownership of a vehicle, and the arrears relate to the previous owner(s). The de facto exemption for payment of motor tax arrears following a change in ownership arises as there are currently no legal provisions prohibiting this practice.

**21.45** The 2016 report found evidence that this exemption was being exploited by some vehicle owners to avoid paying motor tax. In 2011, there were 173,000 exemptions from motor tax arrears arising from a change of ownership. By 2015, there were 272,000 exemptions.

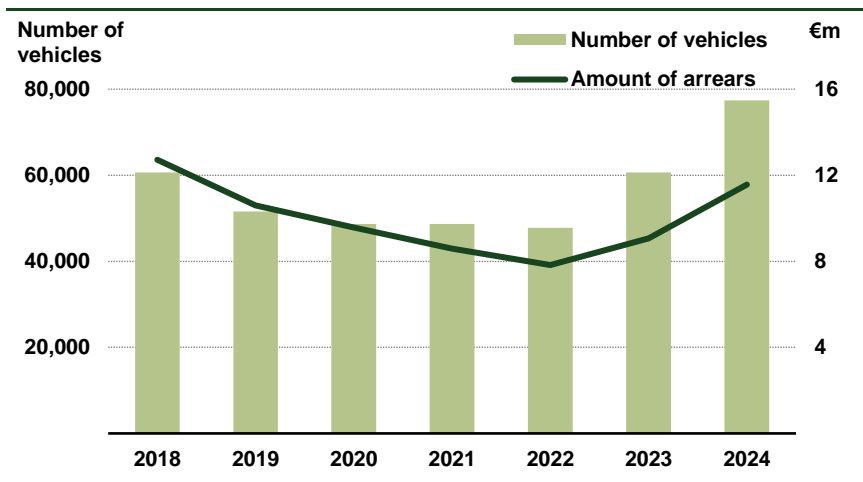
**21.46** The report found many instances where three or more changes of ownership were registered. In the fifteen-month period from January 2014 to March 2015, there were 116,000 registered ownership changes in respect of 34,000 vehicles which had three or more changes. Review of a sample of such cases found that 74% of the vehicles concerned had been untaxed for some or all of the period concerned, resulting in arrears exemptions; and in 56% of the cases, there was evidence that suggested a potential connection between the owners.

<sup>1</sup> The charging of arrears is provided for by [Section 6 of the Non-use of Motor Vehicles Act 2013](#).

**21.47** The Department has identified the number of vehicles that had a change of ownership following a period untaxed each year from 2018 to 2024.<sup>1</sup> The total number of such vehicles in 2024 was just over 77,000 (see Figure 21.7). This represented a significant increase compared to the period 2020 to 2022.

**21.48** The Department has also estimated the associated loss of motor tax associated with the de facto change of ownership exemptions. The loss in receipts is estimated at €11.6 million for 2024. However, this does not represent the full value of motor tax payment non-compliance, because the maximum period of arrears counted is 12 months per vehicle, and vehicles that remain untaxed are not included.

**Figure 21.7** Estimated number of vehicles taxed that had arrears exempted due to change of ownership, and estimated value of tax foregone, 2018 to 2024<sup>a</sup>



Source: Department of Transport

Note: a Vehicles registered to garages have been excluded.

## Use of data to identify motor tax evasion

### **Recommendation 7**

*The Department of Transport should instigate a process of regular NVDF data analysis to inform the development of motor tax policy and the enforcement of motor tax regulations. Unusual patterns of transactions should be identified and investigated.*

**Status:** *This recommendation is in the process of being implemented.*

**21.49** The NVDF records key information on vehicles and vehicle owners in Ireland. This information is relied upon by a number of other bodies, for example Revenue, An Garda Síochána, the NCTS and the CVRT, insurance companies and local authorities (motor tax offices). It is therefore essential that the data on the NVDF is complete and reliable.

**21.50** Revenue is responsible for the first time registration of vehicles in the State and it collects certain vehicle and owner information as part of that process. This information, along with any subsequent updates to the registration record, is transferred daily by Revenue to the Department to update the NVDF.

<sup>1</sup> This could include some vehicles that were off the road but the owners had failed to make the necessary declaration. The liability for motor tax remains, absent such declarations.

*Department's response*

- 21.51** One of the objectives of the Department's data and analytics division is driving further analytical value from datasets such as the NVDF and working with partner agencies on operationalising the outputs from these.
- 21.52** Expanding the use of application programming interface (API) technology offers the greatest scope to use motor tax/NVDF data for addressing evasion. A new interface for data exchange with An Garda Síochána is in development. In the interim there is continuing ongoing data exchange with An Garda Síochána including the data used by them for motor tax enforcement matters.

**Conversion of passenger vehicles**

- 21.53** Motor vehicles are grouped into categories (or classifications) based on design, function, weight, seating capacity etc. Different bases are used for vehicle classification for different legal, regulatory and taxation purposes, as shown in Figure 21.8. However, the VRT classifications used by Revenue are generally aligned with EU vehicle categories as specified in EU type approval legislation. For example, Revenue's classification 'passenger vehicle' comprises EU classifications M1, M2 and M3. The classification 'commercial vehicle' comprises EU classifications N1, N2 and N3.

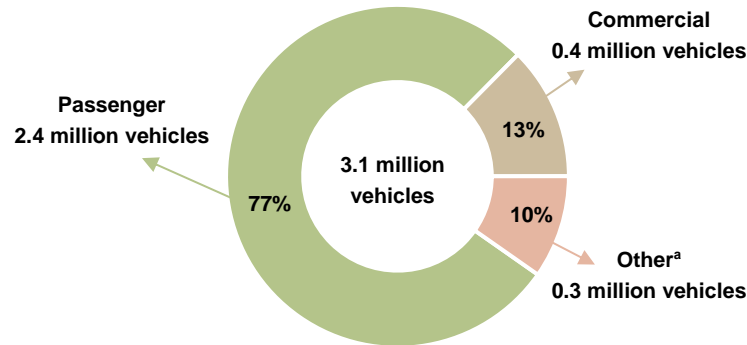
**Figure 21.8 Systems of vehicle classification**

System	Purpose	What it affects	How it classifies vehicles
EU classification <sup>a,b</sup>	Sets vehicle categories for EU legislation on design, safety etc.	Type approval and design standards	Vehicle type code e.g. M1, N1, L
VRT classification <sup>b</sup>	Determines how much tax you pay when a vehicle is first registered in Ireland	Registration tax amount	Passenger, commercial, special purpose, motorcycle
Motor tax classification	Determines how much you pay each year to keep your vehicle on the road	Motor tax rate	Based on CO <sub>2</sub> , engine size or weight, as well as vehicle type/use

Source: Office of the Comptroller and Auditor General

- Notes:
- a The EU classification of vehicles is set out in a number of EU directives and regulations, for example, those relating to type approval of passenger vehicles.
  - b Refer to Annex 21B where further details are provided on EU and VRT classification.

- 21.54** Vehicles classified as passenger vehicles accounted for almost 77% of the total stock of motor vehicles at the end of 2024 (see Figure 21.9). Vehicles classified as commercial accounted for a further 13% of the total stock.

**Figure 21.9 Vehicle by type at end 2024<sup>a</sup>**

Source: Department of Transport, National Vehicle Driver File.

Note: a Other vehicles comprise a variety of vehicles that include vintage vehicles, motorcycles, taxis and caravans.

- 21.55** Passenger vehicles are generally subject to higher rates of motor tax and VRT than commercial vehicles, so the correct classification is important. In addition, certain VAT-registered traders are entitled to deduct VAT charged on the purchase or hire of a vehicle (passenger or commercial) for use in their businesses, subject to certain exclusions.
- 21.56** A vehicle 'conversion' means that the characteristics of the vehicle are modified from the format in which it was constructed, for example, adding or removing seats or converting a van to a motor caravan. This may result in a reclassification of the vehicle e.g. from M1 to N1, which can result in a vehicle owner paying lower rates of VRT and motor tax, and in some instances, being able to reclaim VAT paid when purchasing the vehicle (see Figure 21.10). Where VAT is reclaimed on a converted vehicle and the vehicle is subsequently re-converted to a non-deductible vehicle, the taxpayer is required to pay back to Revenue the VAT previously claimed on that vehicle.
- 21.57** In March 2024, Revenue updated its guidance on recovering VAT on motor vehicles to address the VAT treatment of conversions.
- 21.58** Between 2019 and 2024, there were a total of 6,214 vehicle conversions from passenger (M1) to commercial (N1) — an average of around 1,036 vehicle conversions per year (see Figure 21.11). The number of such conversions between 2023 and 2024 fell by over half, to just 553 conversions in 2024. This coincided with the transfer of responsibility for processing declarations for certain vehicle conversions from motor tax offices to Revenue with effect from March 2024.

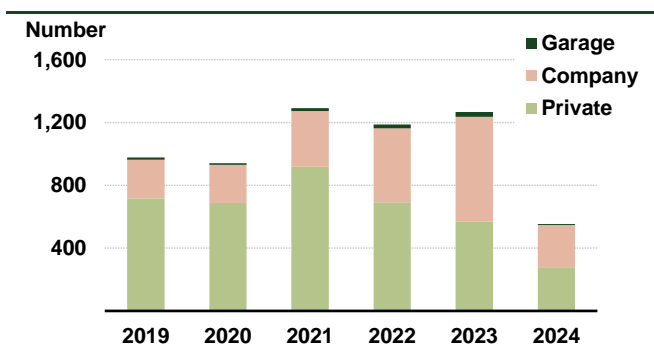
**Figure 21.10 Tax implications of converting a passenger vehicle to commercial vehicle<sup>a</sup>**

	M1 vehicle (passenger use)	N1 vehicle (commercial use)
	<ul style="list-style-type: none"> <li>Designed to carry passengers (up to eight seats plus driver)</li> <li>Examples: family cars, SUVs, estates, hatchbacks.</li> </ul>	<ul style="list-style-type: none"> <li>Designed or adapted for goods carriage (can have up to six seats plus the driver)</li> <li>Goods-carrying capacity equal or higher than the person-carrying capacity</li> <li>Fitted with securing devices (lashing points/partitioning system)</li> <li>Cargo area meets dimensional requirements (dependent on number of seat rows)</li> </ul>
<b>Tax implications</b>		
<b>VRT</b>	Rate is based on CO <sub>2</sub> emissions, NOx emissions and OMSP	13.3% of the OMSP (minimum due is €125) <sup>b</sup>
<b>Motor tax</b>	Rate is based on CO <sub>2</sub> emissions or engine size	Based on unladen weight <sup>c</sup>
<b>VAT</b>	For certain qualifying passenger motor vehicles 20% of VAT incurred can be deducted by a VAT registered trader if the vehicle is used for at least 60% business purposes (for a period of two years or more) along with other conditions. No deduction is allowed for private use.	VAT reclaimable, if owner is VAT registered and vehicle is used 100% for business.

Source: Office of the Comptroller and Auditor General

- Notes:
- a See Annex 21C for an example of the tax savings to be achieved by converting a passenger (M1) vehicle to a commercial (N1) vehicle.
  - b Some commercial vehicles (N1) are charged VRT of €200 if they always had less than four seats and at any time had a laden mass greater than 130% of the mass in service. From 1 July 2025, the 13.3% VRT rate on the OMSP is retained for vehicles with CO<sub>2</sub> emissions over 120g/km, while for category B vehicles with emissions of 0g/km up to and including 120g/km, a reduced rate of 8% on the OMSP will apply.
  - c The unladen weight of a vehicle is the vehicle's own weight when not carrying any goods or burden.

**Figure 21.11 Number of conversions from category M1 to N1, by type of vehicle owner, 2019 – 2024**



Source: National Vehicle and Driver File, Department of Transport

**21.59** Revenue stated that the drop in the number of conversions in 2024 may be attributed to the clarification provided by Revenue that in cases where a vehicle is converted to EU category N1 with more than one row of seats, measurements and photographs must be submitted to Revenue with the declaration of conversion. Revenue stated that it does not process a declaration unless it is satisfied that the measurements provided are accurate and that the vehicle meets the relevant criteria for an N1 vehicle, as set out in the EU type approval regulations.<sup>1</sup>

### **Conversion control measures**

**21.60** Vehicles can be, and are, converted for legitimate reasons. However, converting a vehicle can potentially be used as a mechanism to avoid paying tax or to pay lower rates of tax. Therefore, it is important that there are adequate controls in place to prevent or detect vehicle misclassification.

**21.61** The controls and processes vary depending on whether the conversion is carried out on a brand-new vehicle (prior to registration) or on a used vehicle (already registered in Ireland or in another jurisdiction). Of the 6,214 conversions of passenger (M1) to commercial (N1) vehicles between 2019 and 2024, 62% related to new pre-registration vehicles and 38% related to used vehicles.

**21.62** Figure 21.12 sets out the key conversion control measures for new and used vehicles.

**Figure 21.12 Key conversion control measures<sup>a</sup>**

<p style="text-align: center;"><b>New vehicle conversions</b> (pre-registration<sup>b</sup>)</p> <ul style="list-style-type: none"> <li>• Vehicle held by an authorised trader until sold.</li> <li>• Conversion work visually inspected at an NSAI Approved Test Centre (ATC).</li> <li>• New type approval certification issued by the NSAI after inspection at an ATC.</li> <li>• Certificate of conformity or individual vehicle approval submitted to Revenue.</li> <li>• Vehicle registered with Revenue at point of sale including payment of VRT and VAT.</li> </ul>	<p style="text-align: center;"><b>Used vehicle conversions</b> (post registration<sup>c</sup>)</p> <ul style="list-style-type: none"> <li>• Declaration of conversion submitted to Revenue (for most cases), or a Motor Tax Office (in a limited number of cases).</li> <li>• Conversion work certified by a suitably qualified individual (SQI).</li> <li>• Vehicle physically presented to the NCTS for pre-registration inspection — only for those vehicles previously registered in another jurisdiction.</li> <li>• Vehicle registered with Revenue at point of inspection by NCTS including payment of VRT.</li> </ul>
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Source: Office of the Comptroller and Auditor General

Notes: a Refer to Annex 21D for further information on the key control measures involved in the conversion process.

b Vehicle has never been registered in any jurisdiction.

c Vehicle has already been registered in the State or in another jurisdiction.

<sup>1</sup> [Annex 1 of EU Regulation 2018/858](#).

*Approved test centres*

- 21.63** NSAI approved test centres (ATCs) inspect new unregistered vehicles that have gone through conversion/modification before registration for the purposes of supporting the type approval process.<sup>1</sup> The ATCs complete a visual inspection of the vehicle under the direction of the NSAI to assist in confirming that the vehicle meets the relevant legal, safety and construction standards.<sup>2</sup> ATCs do not make the final decisions. All paperwork is signed off by an NSAI engineer before a certificate is issued.
- 21.64** As of July 2025, there were 34 approved ATCs located around the country. For a workshop/garage to become an ATC, they must demonstrate to the NSAI that they have suitably trained personnel, suitable premises and have a documented quality management system in place.
- 21.65** ATCs are subject to an annual audit by the NSAI, the cost of which is €1,450 (excluding VAT).

*Declaration of conversion*

- 21.66** For conversions of used foreign-registered vehicles, a declaration of conversion and a declaration by a suitably qualified individual must be provided to the NCTS at the time the vehicle is presented for registration in Ireland.
- 21.67** For converted Irish registered vehicles, the declaration of conversion should be submitted to Revenue where
- the vehicle has been converted to an EU category N1 vehicle, with more than one row of seats; or
  - the vehicle registration certificate shows a VRT category of B, C or D or is blank, and
    - seating positions have been added and the new total including the driver is nine seating positions or less; or
    - the vehicle had ten seating positions or more and seating positions have been removed so that the new total including the driver is nine seating positions or less; or
    - the vehicle has been converted to a motor caravan.
- 21.68** From 19 March 2024, Revenue assumed responsibility for processing conversion declarations for Irish registered vehicles converted to N1 with more than one row of seats. Prior to that date, these conversions were processed by motor tax offices. Revenue stated that the change in administrative procedures for conversions from March 2024 was to clarify the requirements and strengthen controls to address potential tax risks.
- 21.69** The declaration of conversion must
- include the total cost of the conversion along with invoices and receipts evidencing the dates and cost
  - be stamped by a suitably qualified individual (SQI) and include evidence that an SQI has certified the conversion
  - include the vehicle registration certificate

<sup>1</sup> [EU Regulation 2018/858](#) explains that a vehicle is deemed to be new if it has never been registered previously or if it has been registered for less than six months.

<sup>2</sup> Following inspection of the vehicle, the ATC completes a test report certifying that the conversion work has been completed to the required standards.

- include evidence of NOx emissions for category A vehicles or vehicles being converted to category A<sup>1</sup>
- include measurements of the rear loading aperture dimensions and internal photographs where the vehicle is being converted to a category N1 with more than one row of seats
- include photographs of the interior and exterior for motor caravans
- be signed by the vehicle owner confirming that the vehicle as converted complies with the requirements of road traffic law and has correctly been certified as such by an SQI.

**21.70** As part of the examination, a sample of 39 declarations of conversion was reviewed comprising 15 declarations made prior to March 2024 processed by three motor tax offices and 24 declarations made after March 2024 processed by Revenue.

**21.71** The examination identified issues with the documentation retained by two of the three motor tax offices. In one motor tax office, the files contained no photographs for four of the five conversions reviewed, even though this was a requirement at the time. In another motor tax office, there was no supporting documentation for one of the five conversions reviewed and no SQI declaration, weight document or photographs for a further two conversions.

**21.72** No concerns were identified with the documentation retained by Revenue in respect of the sample of declarations it had processed.

#### *Suitably qualified individuals*

**21.73** A 'suitably qualified individual' (SQI) for conversion certification purposes is an independent engineer who must have

- an engineering or technical qualification (level 7 or higher accredited course)
- a minimum of five-years' experience working in a suitable technical environment (preferably an automotive or engineering environment)
- access to adequate facilities to carry out a thorough vehicle examination and
- appropriate professional indemnity insurance or
- be an NSAI approved facility (Approved Test Centre or Approved Workshop for Conversion of Vehicles for Disabled Drivers).

**21.74** Conversion work carried out on used vehicles must be formally certified by an SQI. SQIs are not audited by the NSAI. Once the conversion work has been completed, the SQI self-confirms on the conversion declaration form that they meet the criteria listed above.

**21.75** For used vehicle conversions, the conversion declaration must be stamped by the SQI and accompanied by a certificate, on the SQI's headed paper, confirming that they have inspected the vehicle and are satisfied with the standard and quality of the conversion and the accuracy of the vehicle owner's declaration.

<sup>1</sup> VRT category A is for passenger vehicles, including cars and minibuses (with no more than eight seating positions in addition to the driver's seating position). These vehicles are generally European category M1 but also includes certain category N1 vehicles which have four or more seating positions.

*NCTS pre-registration inspection of foreign-registered vehicles*

**21.76** Vehicles previously registered in another jurisdiction are subject to an inspection by the NCTS prior to registration in Ireland. An NCTS staff member carries out a visual and physical examination of the vehicle. This is to confirm that the vehicle details on the foreign registration certificate and on the declaration of conversion match the vehicle presented for registration.

**21.77** Since March 2025, NCTS staff also take photographs of foreign registered vehicles that present for registration with conversion declarations. The photographs are provided to Revenue by the NCTS.

*Data analysis to detect vehicle misclassification*

**21.78** The examination sought to analyse the vehicle conversion data contained in the NVDF over the period 2019 to 2024. However, only very limited analysis could be completed because

- the Department does not have a complete and accurate list of data-entry field definitions for the NVDF
- certain key fields required by the examination team, such as the vehicle category or the number of seats before and after conversion, were blank as they are not mandatory, and some fields are 'free text' leading to inconsistencies in the data recorded.

**21.79** The Department stated that a project is underway to improve the metadata and data quality of the NVDF, which includes working with external data providing partners.

**21.80** Analysis of the 'number of seats' field in the NVDF for the 6,214 passenger (M1) to commercial N1 conversions before and after conversion found that

- in 36% of the cases, it was not possible to ascertain the number of seats before the conversion as the field had been left blank
- where original seat number data was available
  - in 26% of the cases, the seat numbers reduced by two with the majority of these cases being converted from seven to five seats
  - in 5% of cases, there was no change in seat numbers during conversion.

**21.81** The examination team found that conversions processed by Revenue are not easily identified in the NVDF. The Department explained that when the field 'conversion motor tax office' is left blank, this denotes that the conversions were processed by Revenue.

**21.82** Analysis of conversions processed in the NVDF since 19 March 2024 found seven vehicles where the 'conversion motor tax office' indicates that the conversion was processed by a local authority motor tax office when the conversion should have been processed by Revenue. Three of the conversions were processed on the date the change was introduced, before the IT changes came into effect that night. The Department is currently investigating the reason for the remaining four entries.

## Ongoing checks of vehicle classification

**21.83** In order to ensure ongoing compliance by motor vehicle owners with motor vehicle tax requirements, a comprehensive set of measures is needed to detect, prevent and address instances of non-compliance. There are a number of ways in which potential vehicle misclassification within the current stock of vehicles can be identified including

- targeted reviews to address emerging trends in taxpayer behaviour
- during national vehicle tests (NCT/CVRT)
- as part of routine Revenue roadside checkpoints targeting compliance with VRT and other excise matters
- during roadside checks carried out by An Garda Síochána.

### *Revenue targeted projects*

**21.84** In late 2023, as part of the routine processing of VAT repayment claims, Revenue's business division identified cases where taxpayers were submitting VAT repayment claims for high-end motor vehicles.

**21.85** One garage was identified as making a number of the VAT repayment claims. Revenue analysed all vehicles registered to this garage from 2021 to establish the scale and risks involved. It identified two practices indicating potential non-compliance as follows.

- **Pre-registration conversions** — conversion of passenger vehicles (M1) with two rows of seats to commercial vehicles (N1) with one row of seats. Revenue stated that there was a risk that a second row of seats may be reinstalled once the vehicle is registered. However, this could only be confirmed by a physical inspection of the vehicle. This practice poses both a VAT and VRT risk if the vehicle has been incorrectly classified as a commercial vehicle.
- **Post-registration conversions** — conversion of passenger vehicles (M1) with two rows of seats to commercial vehicles (N1) with two rows of seats. There was therefore a risk that no conversion/alteration was made to the vehicles. The reclassification to N1 enabled a substantial VAT refund to be claimed and lower motor tax to be applied. There was no VRT at risk as the VRT had been paid at the higher rate (category A) on registration.

**21.86** Revenue extended the scope of its analysis and identified additional garages that were potentially engaging in these two practices, indicating possible non-compliance. It provided details of three cases encountered by its business division as part of its work in relation to the misclassification of vehicles (see Figure 21.13).

**21.87** In light of the issues identified and to facilitate large scale analysis, Revenue obtained data from the Department of vehicles on the NVDF where the EU classification had changed from passenger (M1) to commercial (N1) between January 2021 and May 2025. Using this, together with its own registration data, Revenue identified 1,330 vehicles that will require further examination. Revenue has established a cross-divisional group, chaired by its business division, to co-ordinate its approach to progressing these cases.

**21.88** Separately, in 2024, as part of a specific project targeting potential non-compliant VRT conversions, Revenue identified 120 motor vehicles for review to ascertain if they had been converted from commercial (N1) to passenger (M1) classification between 2020 and 2023. As of April 2025,

- 58 vehicles (48%) had been identified and a physical inspection carried out
- 62 vehicles have yet to be physically inspected. Revenue stated that letters will issue to these vehicle owners inviting them for inspection.

**21.89** From the 58 physical inspections, Revenue confirmed that 14 had been converted from passenger (M1) to commercial (N1) prior to registration and subsequently converted back to passenger (M1) classification. Revenue had not been notified of the conversion back to passenger (M1) classification, and the additional VRT due was not paid.

**21.90** Following inspection, Revenue issued warnings to the 14 vehicle owners stating that they had 30 days to rectify the issue i.e. either pay the additional VRT due or convert the vehicle back to commercial classification.<sup>1</sup> This resulted in

- two vehicle owners paying additional VRT totalling €13,000
- three owners converting their vehicles back to N1 (commercial) vehicles.

**21.91** No further contact was received from the remaining nine vehicle owners. Revenue plans to issue letters to these vehicle owners inviting them to present the vehicles for inspection again.

### ***Revenue enforcement activities***

**21.92** Revenue's frontier management branches carry out a range of work to identify vehicles that may be incorrectly classified, for example

- at checkpoints and on general patrols looking for risk indicators indicative of conversions e.g. commercial road tax and/or commercial vehicle road-worthiness test certificate and seats in the rear of the vehicle
- access the NVDF in real-time to check details of individual vehicles they encounter on patrol.
- following-up on intelligence from within Revenue of businesses selling possible converted vehicles
- checking vehicles identified in 'good citizen' reports and tax evasion reports<sup>2</sup>
- profiling of social media and open-source intelligence to identify if converted vehicles are being advertised as commercial.

**21.93** Revenue confirmed that there have been 16 detections in relation to misclassified vehicles in the period 2019 – 2024. In all those cases, the vehicle was seized by Revenue. Of these, 13 vehicles were released to the customer on payment of a compromise sum with just over €9,000 collected. The remaining three vehicles remain in Revenue custody.

**21.94** Of the 13 vehicles released, eight were converted back to commercial (N1) classification and this was confirmed on inspection. For the remaining five vehicles, additional VRT was paid amounting to just over €66,000.

<sup>1</sup> Vehicle owners were given the concessionary option to convert the vehicle back to a commercial as the current vehicle owner could be unaware of the conversion e.g. if the vehicle had changed hands since the conversion was carried out or the trader did not inform the customer of the conversion.

<sup>2</sup> Reports to Revenue from individuals/companies on instances of suspected tax and duty evasion.

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**Figure 21.13 Revenue interventions — misclassification of vehicles**


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**Case 1 — underpayment of VRT by a car dealer converting new vehicles registered in Ireland that yielded €395,000 including interest and penalties**

The issues that led to the yield were as follows.

- An employee of the car dealer had amended the vehicle category for 37 vehicles on their certificates of conformity submitted to Revenue, misclassifying the vehicles as commercial (N1). This resulted in the €200 flat rate of VRT for commercial vehicles being applied instead of the higher rate (approximately €5,600) for passenger vehicles. The vehicle type in this instance is only manufactured as a passenger (M1) vehicle.
- The dealer sold six vehicles to another dealer without carrying out the conversions, with the dealer purchasing the vehicles to carry out the conversions instead. Revenue found that three of the vehicles were never converted and were sold as passenger (M1) vehicles. The flat rate of VRT of €200 was declared, however, the correct VRT due on each vehicle was €11,700.
- A system error in the dealer's IT system led to modified vehicle models not being recognised correctly for 83 vehicles which resulted in the incorrect VRT rates being applied.

**Case 2 — validity of conversions by a motor dealer trading in second-hand imported vehicles that Revenue estimates may yield in excess of €1 million including yields under customs duties, VRT and income tax/VAT**

Following an initial review where potential risks for VAT, income tax and customs duties were identified, Revenue escalated the case to an investigation. The case is currently ongoing.

The issue in this case is the pre-registration conversion of vehicles from passenger (M1) with five seats to commercial (N1) with two seats, thereby availing of the lower commercial rate for VRT purposes. The converted vehicles were then presented to the NCTS as two-seater commercial vehicles and registered. Post-registration, the seats were refitted and the vehicles were subsequently sold as five-seater passenger vehicles.

**Case 3 — validity of VAT repayment claims for vehicle conversions that resulted in the seizure of three vehicles with an estimated market value of €590,000 and a VRT underpayment of €186,000**

Revenue initiated an analysis of VAT repayment claims from businesses in respect of high value vehicles that were converted from passenger (M1) to commercial (N1). This identified a significant number of vehicles that were declared as being converted to commercial vehicles prior to first registration in Ireland.

The potential risk is that the vehicle owner would

- avail of a VAT deduction for the purchase of the vehicle
- avail of the reduced rate of VRT for commercial vehicles (13.3%)
- convert the vehicle back to a passenger vehicle post-registration without making the required declaration to Revenue and paying the additional VRT due.

Three vehicles which were selected for inspection were detained as they did not meet the criteria for a commercial vehicle. Following interview with the Director of the company, all three vehicles were seized for VRT offences. The cross divisional group will be considering how best to address the risk presented by other vehicles identified as part of the analysis.

### ***Dublin City Council — 2018 report***

- 21.95** In May 2018, Dublin City Council (DCC) motor tax office provided the Department with a report on a practice identified in relation to the conversion of certain vehicles.
- 21.96** The report noted that the NSAI had issued a list of 33 makes and models of vehicles which would not meet the criteria for commercial (N1) classification if converted with two rows of seats. NSAI confirmed with the examination team that this list was based on a sample of vehicles it had tested and that it was for information purposes only.
- 21.97** DCC identified a practice of circumventing this restriction whereby vehicles of the type listed were converted with one row of seats thereby meeting the criteria for commercial (N1). But those vehicles were subsequently converted to two rows of seats while retaining their commercial (N1) classification. This practice was apparently not prohibited.
- 21.98** The DCC analysis identified 75 vehicles using this approach in the first four months of 2018, thereby estimating there would be 225 such cases in the full year. The average reduction in annual motor tax revenue achieved by this practice was €1,000 per vehicle.<sup>1</sup>

### ***National vehicle tests***

- 21.99** Motor vehicles are subject to a compulsory vehicle inspection programme designed to ensure that they meet basic safety and environmental standards and to ensure that the vehicles are roadworthy. Passenger vehicles (M1) are subject to regular inspection by the National Car Testing Service (NCTS) while commercial vehicles are subject to inspection annually by the Commercial Vehicle Roadworthiness Test (CVRT).<sup>2,3</sup>
- 21.100** Vehicle details required for tests are downloaded by the operators from the NVDF to the NCTS system (for the NCT) and the CoVIS system (for the CVRT). The Department of Transport explained that there is no formal process in place whereby NCT and CVRT operators can notify the Department of discrepancies with the data on the NVDF that they might identify in the course of testing. There is one exception – where an incorrect design gross vehicle weight is identified during a CVRT, the updated information can be transferred to the NVDF for updating.
- 21.101** Modification reports certified and stamped by an SQI are also required when the vehicle has been modified since its last test. The report includes the EU category and number of seats before and after modification. The NCTS/CVRT operator confirms that the vehicle corresponds with the modifications described in the modifications report. The test does not include checking that a conversion has been completed correctly. Failure to produce a modification report where required, results in a failure of the test. Modification reports are not shared with the Department by the NCT or CVRT operators.

<sup>1</sup> The estimate was based on DCC's activity levels at that time.

<sup>2</sup> The National Car Testing Service is operated by Applus Inspection Services Ireland Ltd on behalf of the Road Safety Authority. The Commercial Vehicle Roadworthiness Test is carried out by independently owned and operated test centres which are authorised and supervised by the Road Safety Authority.

<sup>3</sup> The NCT is conducted every two years for passenger vehicles that are 4 – 10 years old; vehicles that are older than 10 years must undergo an annual inspection.

### ***Roadside checks by An Garda Síochána***

**21.102** An Garda Síochána stated that while an experienced Garda might identify a misclassified vehicle at a Garda checkpoint, checking the classification of a vehicle is not a routine part of a checkpoint.

### **Conclusions and recommendations**

**21.103** In 2024, there were approximately 3.1 million vehicles on the road in Ireland. A range of taxes and duties apply to owning a motor vehicle in Ireland that include VAT, VRT, customs duty and motor tax. These are collected by Revenue with the exception of motor tax which is collected by the Department via an online payment system, and through the local authority motor tax offices.

**21.104** Receipts from VRT and motor tax totalled €1.9 billion in 2024. A breakdown of VAT receipts and customs duties in respect of motor vehicles is not available.

### ***Cost of collecting motor tax***

**21.105** The combined cost of administering the motor tax system is not centrally compiled or reported.

**21.106** Vehicle owners can renew motor tax online or in person at their local motor tax office. In 2024, around 87% of motor tax transactions were completed online.

**21.107** The use of digital technologies presents opportunities to enhance the efficiency and reduce the administrative cost of collecting motor tax. The National Vehicle Driver File Bill 2025 includes provisions to eliminate the requirement for displaying paper motor tax discs on vehicle windscreens. However, effective enforcement of such a system will require investment in supporting technology.

**21.108** Vehicle owners can pay motor tax for periods of three, six or 12 months. Short-term motor tax renewals impose higher costs on taxpayers, the Department and the local authorities. In 2024, around 62% of motor tax transactions were for less than one year. The Department has yet to undertake analysis of the factors influencing customers to renew motor tax for periods shorter than 12 months.

**Recommendation 21.1**

The Department should analyse the factors influencing customers to renew motor tax for periods shorter than 12 months. It should also explore further payment options e.g. direct debit staged payment arrangements.

**Department of Transport's Accounting Officer's response**

Agreed.

The Department has carried out analysis which showed that older vehicles tend to be taxed more frequently which could be due to affordability or an expectation that the vehicle will soon become uneconomic to maintain.

The Department will undertake further analysis after the move to paperless discs is successfully completed and the reform has had time to bed in (as this reform itself may lead to changes in customer behaviour and it will take some time to see if these are temporary or permanent).

Direct debit payment options could not be provided while physical discs were issued as the cost of retrieving a disc when the direct debit was cancelled was prohibitive. Introducing direct debit requires significant investment in technology and in manpower. This will be considered and assessed for cost effectiveness.

**Timeline for implementation**

End of 2026 or early 2027, depending on the final timeline for the roll out of paperless discs.

***Quality of owner identification information***

**21.109** There have been significant improvements in the verification of owner identification in recent years. All vehicle owners are now required to provide documentary evidence of name and address and PPSN at initial registration.

**21.110** Where a change of ownership is initiated through an online facility, in order to complete the transfer, the buyer must verify their identity using a verified MyGovID account. No proof of identity is required to be submitted by a buyer when the transfer of ownership is completed by sending the vehicle registration certificate (with the transfer of ownership section completed) to the Department.

***Measuring motor tax compliance***

**21.111** Measuring and monitoring motor tax compliance rates potentially enables the early detection of emerging patterns of non-compliance. There remains no system for monitoring and reporting motor tax compliance or evasion.

### **Recommendation 21.2**

The Department should measure, monitor and report on motor tax compliance rates.

#### **Department of Transport's Accounting Officer's response**

Agreed.

The Department will consider appropriate metrics for this task as well as examining what external datasets could help identify vehicles using public roads without being taxed.

#### **Timeline for implementation**

Benchmark metrics for motor tax compliance to be established by end 2026.

**21.112** Arrears of motor tax are a liability of the owner of the vehicle during the period of the arrears and remain with the owner when the vehicle is transferred through a sale or otherwise. Unlike some other taxes on assets, motor tax does not accrue to the vehicle, and so a new owner does not have a need or incentive to ensure that motor tax is paid up to the date that ownership transfers. Any change in the law in that respect is a policy matter.

**21.113** Tracking the level of motor tax arrears is also a useful indicator of the levels of non-compliance by vehicle owners. While the Department can confirm the amount of arrears paid each year, information on the total amount of motor tax arrears outstanding is not readily available

### **Recommendation 21.3**

The Department should monitor and report on the level of motor tax arrears. It should also have a process in place to follow-up on the amounts outstanding to minimise the extent of the loss to the Exchequer.

#### **Department of Transport's Accounting Officer's response**

Agreed.

The Department will assess ways to enhance arrears monitoring and reporting. It will also consider, in conjunction with partner agencies, the legal basis available to pursue arrears of motor tax and the possible collection mechanisms for doing so.

#### **Timeline for implementation**

Benchmark metrics for motor tax arrears to be established by end of 2026.

**21.114** The Department relies on other agencies to enforce compliance in payment of motor tax. It takes no active steps itself to encourage greater payment compliance.

**Recommendation 21.4**

The Department should consider the scope for issuing of reminders when motor tax is not paid on time.

**Department of Transport's Accounting Officer's response**

Agreed.

The Department is already considering the options and opportunities for the reminder system to be improved in a cost-effective manner in the context of the introduction of paperless discs. This will include examining different ways of issuing reminders (for example, emails and SMS) to mitigate the rising costs of postage.

**Timeline for implementation**

End of 2026 or early 2027, depending on the final timeline for the roll out of paperless discs.

***Conversion of passenger vehicles***

- 21.115** At the end of 2024, passenger vehicles (M1) made up nearly 77% of the total vehicles on the road in Ireland. Higher rates of motor tax and VRT are payable in respect of M1 vehicles compared to commercial (N1) vehicles. Changing a vehicle's classification can mean the owner pays less VRT and motor tax, and in some cases, may also claim back the VAT paid at the point of sale of the vehicle.
- 21.116** Between 2019 and 2024, an average of just over 1,000 vehicles per year were converted from passenger (M1) to commercial (N1) vehicles. This fell sharply in 2024, to just over 550 such conversions, after Revenue took over the registration of conversions.
- 21.117** Around 62% of the total (6,214) conversions from 2019 to 2024 related to new vehicles prior to registration and 38% related to used vehicles already registered in Ireland or in another jurisdiction.
- 21.118** The procedures and checks on vehicle conversions vary depending on whether the vehicle is new or used, and whether previously registered in another jurisdiction. This adds complexity to the system which increases the risk of non-compliance.
- 21.119** For a sample of conversion declarations processed prior to 19 March 2024, the examination found incomplete documentary evidence had been received and/or retained by two motor tax offices. No issues of concern were identified with the documentation retained by Revenue in respect of the sample of declarations it had processed since it took on that function from March 2024.

***Use of data to identify motor tax evasion***

- 21.120** The NVDF holds important information about vehicles and their owners in Ireland, which is relied upon by several bodies including the Department, Revenue, local authority motor tax offices, An Garda Síochána, NCTS, CVRT and insurance companies. It is therefore essential that the NVDF data is complete and reliable.

**21.121** The examination sought to analyse conversion data contained in the NVDF for the last six years (2019 – 2024) but found this exercise very difficult. There is no definition for each field, many fields appear to be optional and some allow free text which may lead to inconsistencies in the data. This impairs the Department's ability to meaningfully analyse the data, and to use it as a tool to manage and report on compliance with the tax regime.

### ***Ongoing checks of vehicle classification***

**21.122** In order to make sure vehicle owners continue to meet their tax obligations, a co-ordinated approach is needed to detect, prevent and deal with cases of non-compliance. Vehicle misclassification is identified through targeted reviews by Revenue compliance intervention and enforcement activities, as well as national vehicle tests and roadside checks by An Garda Síochána.

#### *Targeted reviews by Revenue*

**21.123** Routine processing of VAT repayment claims from garages in late 2023 prompted Revenue to assess the risks to vehicle misclassification which led to the identification of two practices of concern around classification conversions. Significant underpayments have been identified resulting in additional yield of VRT, VAT and income tax being collected. A significant number of cases have been identified for further investigation, which is ongoing.

#### *National vehicle tests*

**21.124** Motor vehicles in Ireland are subject to a compulsory vehicle inspection programme designed to ensure that vehicles meet basic safety and environmental standards and to ensure that vehicles are roadworthy. Vehicle details required for tests are downloaded by the operators from the NVDF to the relevant systems (NCTS system for NCT and CoVIS for CVRT). There is currently no formal process in place for NCT and CVRT operators to communicate discrepancies identified with the data on the NVDF in the course of vehicle testing.

## Annex 21A Role of various State bodies in the administration and collection of motor vehicle taxes

State body	Role
<b>Department of Finance</b>	<ul style="list-style-type: none"> <li>• Development of motor tax policy (including the setting of motor tax rates), VRT and VAT policy</li> </ul>
<b>Department of Transport</b>	<ul style="list-style-type: none"> <li>• Collection of motor tax</li> <li>• Maintain the National Vehicle Driver File (NVDF)</li> <li>• Supports the Department of Finance in the development of motor tax policy and procedures</li> </ul>
<b>Revenue Commissioners</b>	<ul style="list-style-type: none"> <li>• Register motor vehicles</li> <li>• Collect VRT, VAT and customs duties in respect of motor vehicles</li> <li>• Process vehicle conversions for all new and foreign registered used vehicles as part of the vehicle registration process</li> <li>• Process vehicle conversions for Irish registered vehicles where <ul style="list-style-type: none"> <li>— the declaration is for category N1 vehicles, with more than three seats, regardless of the classification or number of seats prior to the conversion<sup>a</sup></li> <li>— the vehicle registration certificate shows a VRT category of B, C or D (or is blank) and</li> <li>— seats were added so that the new total (including the driver) is nine seats or less or the vehicle had ten seats or more, and seats were removed so that the new total (including the driver) is nine seats or less or</li> <li>— the vehicle was converted to a motor caravan</li> </ul> </li> </ul>
<b>Local authorities (motor tax offices)</b>	<ul style="list-style-type: none"> <li>• Collect motor tax</li> <li>• Process vehicle conversion declarations for used (Irish and foreign registered) vehicles for all other vehicles not processed by Revenue.</li> </ul>
<b>National Standards Authority of Ireland</b>	<ul style="list-style-type: none"> <li>• Appointed approval authority in Ireland responsible for issuing all national approvals for brand new unregistered vehicles that have gone through a subsequent stage of conversion/modification before registration</li> <li>• Approve and inspect approved test centres for new unregistered vehicles that have gone through a subsequent stage of conversion/modification before registration</li> </ul>
<b>Road Safety Authority</b>	Governance and supervision of the National Car Testing Service (NCTS) and the Commercial Vehicle Roadworthiness Test (CVRT).

Source: Office of the Comptroller and Auditor General

## Annex 21B Vehicle classification and VRT categories

EU category	VRT category <sup>a</sup>
M1 — passenger vehicles comprising not more than eight seating positions in addition to the driver's seating position and with no space for standing passengers	Category A
M2 — passenger vehicles comprising more than eight seating positions in addition to the driver's seating position, may have space for standing passengers and not exceeding five tonnes	Category C
M3 — passenger vehicles comprising more than eight seating positions in addition to the driver's seating position, may have space for standing passengers and exceeding five tonnes	Category C
Motor caravans (can be category M1, M2 or M3)	Category B
N1 — commercial vehicles, designed and constructed for the carriage of goods and not exceeding 3.5 tonnes	Category A, category B or A flat rate of €200 for vehicles that at all stages of manufacture are classified as category N1 with less than four seats, and <ul style="list-style-type: none"> <li>• have, at any stage of manufacture, a technically permissible maximum laden mass greater than 130% of the mass in service of the vehicle with bodywork in running order, or</li> <li>• from 1 January 2025, are electric vehicles that have, at any stage of manufacture, a technically permissible maximum laden mass greater than 125% of the mass of the vehicle with bodywork in running order.</li> </ul>
N2 — commercial vehicles designed for the carriage of goods having a maximum mass exceeding 3.5 tonnes but not exceeding 12 tonnes	Category C
N3 — commercial vehicles designed for the carriage of goods having a maximum mass exceeding 12 tonnes	Category C
L1 to L7 — motor cycles and certain three-wheel vehicles (includes e-mopeds)	Category M
T1 to T5 — agricultural tractors/vehicles	Category C

Source: Revenue Tax and Duty manual on Vehicle Registration Tax (Manual Section 1 Part A)

Note: a A VRT category D vehicle is a special purpose vehicle such as an ambulance, a fire engine or a vehicle used in the transportation of road construction machinery. Category D vehicles are not associated with a specific EU category and are charged at the rate of nil per cent of the value of the vehicle.

### Annex 21C Example of potential tax savings of converting a passenger vehicle to a commercial vehicle

This example assumes that the vehicle is a new vehicle purchased by a dealer from a manufacturer as a five-seat M1 passenger vehicle, converted to a two-seat N1 vehicle and that the cost of the conversion is €5,000. It also assumes that the vehicle has high CO<sub>2</sub> emissions and low NO<sub>x</sub> emissions.

In this case, the retail price of the vehicle would be circa €30,000 less after conversion due to the lower VRT rate. There is no risk to Revenue in the conversion of the vehicle; the risk would be that the vehicle may be converted back to a five-seat vehicle afterwards, without declaration to Revenue.

There are also 'benefit in kind' (BIK) implications, but they have not been included in the example below. The annual motor tax charge for a vehicle used for private purposes with high emission levels is approximately €1,250, while the annual motor tax charge for a vehicle classed as commercial, with equivalent emissions, is €333.

**Figure 21C.1 Price differential for converting a commercial vehicle to a passenger vehicle**

	Five-seat M1 (VRT category A) €	Two-seat N1 (VRT category B) €
Cost of vehicle to dealer	50,000	50,000
Cost of conversion	—	5,000
<b>Total cost price</b>	<b>50,000</b>	<b>55,000</b>
Mark-up/profit margin (10%)	5,000	5,500
Price ex. VAT	55,000	60,500
VAT (23%)	12,650	13,915
<b>Price incl. VAT</b>	<b>67,650</b>	<b>74,415</b>
VRT <sup>a</sup>	47,011 (41%)	11,415 (13.3%)
NO <sub>x</sub> <sup>b</sup>	100	—
<b>Open market selling price</b>	<b>114,761</b>	<b>85,830</b>

Source: Revenue Commissioners

- Notes:
- a The VRT rate is calculated based on the CO<sub>2</sub> emissions plus the nitrogen oxide emissions. The CO<sub>2</sub> component is calculated by multiplying the applicable rate by the open market selling price.
  - b The NO<sub>x</sub> levy is calculated separately and then added to the CO<sub>2</sub> value to produce the VRT due.

## Annex 21D Key conversion control measures

Key control	Description
<b>Authorised trader</b>	<ul style="list-style-type: none"> <li>• Trader holding unregistered vehicles or involved in the manufacture, repair, storage and modification of un-registered vehicles must be authorised by Revenue.</li> <li>• Issued a unique Trader Account Number (TAN) by Revenue.</li> </ul>
<b>Type approval</b>	<ul style="list-style-type: none"> <li>• When a vehicle is first manufactured it must pass all the necessary safety and quality standards before it can be sold or registered throughout Europe — known as the 'type approval'.</li> <li>• A relevant authority certifies that a vehicle satisfies all the appropriate technical requirements. The NSAI is the appointed authority in Ireland.</li> <li>• All vehicles require a type approval to be registered in Ireland. Evidence of type approval is the certificate of conformity (see below).</li> </ul>
<b>Certificate of conformity</b>	<ul style="list-style-type: none"> <li>• Issued by the manufacturer of a vehicle and contains information about the main characteristics such as mass, dimensions, engine size, technical performance (fuel consumption or electric range), manufacturer name and address date of manufacture.</li> <li>• It certifies that the vehicle has been manufactured in conformity with type approval standards</li> </ul>
<b>Approved test centre (ATC)</b>	<ul style="list-style-type: none"> <li>• A workshop/garage requires approval to operate as an ATC from the NSAI.</li> <li>• Criteria for approval are — suitably trained personnel, suitable premises and a documented quality management system in place.</li> <li>• Once approved, they are issued with a certificate of appointment with details of which tests their workshop can perform.</li> <li>• ATCs are subject to an annual audit by the NSAI.</li> <li>• Conversion work carried out on new unregistered vehicles must be inspected at an ATC.</li> </ul>

Key control	Description
<b>Declaration of conversion, including suitably qualified individual (SQI) declaration</b>	<p>Required for conversion of foreign or Irish registered vehicles and should</p> <ul style="list-style-type: none"> <li>• include the total cost of conversion with documentary evidence attached such as invoices and receipts</li> <li>• be stamped by an SQI — confirming the EU vehicle category, no of seating positions, body work, no of doors and windows, fuel type, mass in running order and technically permissible maximum laden mass before and after conversion</li> <li>• include evidence of NOx emissions for category A vehicles or vehicles being converted to category A</li> <li>• include an SQI declaration of competency</li> <li>• include measurements and photograph's where the vehicle is being converted to category N1 (commercial) with more than one row of seats</li> <li>• include photographs of the interior and exterior for motor caravans.</li> </ul>

Source: Office of the Comptroller and Auditor General

## 22 Taxation of rental income

**22.1** Rental income is the income of property owners arising from the occupation or use by others of domestic and foreign properties. Sources from which rental income may be derived include

- the letting or rental of residential, commercial or agricultural property
- easements<sup>1</sup>
- the granting of sporting rights and permits, and
- insurance payments received to compensate for non-payment of rent.

**22.2** Rental income earned by individuals is declared to the Office of the Revenue Commissioners (Revenue) via an income tax return and is taxable at a personal rate of income tax. Rental income earned by companies is assessable for corporation tax.

**22.3** In 2022, gross domestic rental income of just over €8 billion was declared to Revenue through the self-assessment system as follows

- €4.8 billion by individual taxpayers on their income tax returns (Form 11)
- €3.2 billion by companies on their corporation tax returns (CT1 forms).

**22.4** This report examines

- the key trends in taxable rental income over the last six years (2017– 2022)
- the systems and procedures Revenue has in place to facilitate the assessment and timely collection of tax on rental income
- the extent to which Revenue compares various sources of information to detect and prevent non-compliance by rental property owners
- how Revenue manages tax compliance of taxpayers operating in the rental sector.

**22.5** The chapter also followed up on two recommendations made in a previous report on the taxation of rental income.<sup>2</sup>

**22.6** Rental income in the context of this report refers to what is classed as Schedule D Case V income, foreign rental income and Schedule D Case III income declared by individuals. It does not examine rental income earned from Irish real estate funds or real estate investment trusts; rental income earned under Schedule D Case I or Schedule D Case IV, such as short-term lets, retail business and the retail estate sector; and rental income declared on the Form 12.<sup>3</sup>

**22.7** The examination team reviewed key documents and data produced by Revenue, interviewed relevant members of staff and undertook analysis of relevant datasets. Revenue statistics on income tax are generally published on a 'taxpayer unit' basis.<sup>4</sup> For the purpose of this report, references to 'individuals' in the context of data based on Form 11 returns should be interpreted as referring to individual taxpayer units.

<sup>1</sup> An easement is a right of use of the property of others.

<sup>2</sup> [Report on the Accounts of the Public Services 2013, chapter 16, Taxation of Rental Income.](#)

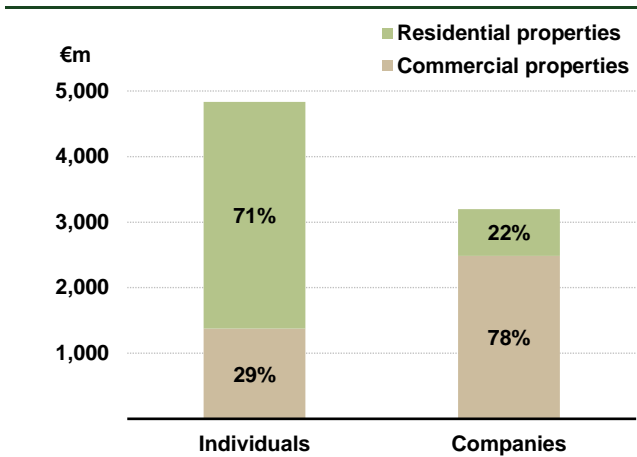
<sup>3</sup> The Form 12 tax return is used by individuals who have non-PAYE income of less than €5,000 in addition to their PAYE income.

<sup>4</sup> A taxpayer unit can refer to an individual with any personal status that is singly assessed or a couple in a marriage or civil partnership who have elected for joint assessment.

### Gross domestic rental income trends

**22.8** Around €8 billion gross domestic rental income was declared by both individuals and companies in 2022. The majority of gross domestic rental income declared by companies was for commercial properties whereas most of the gross domestic rental income declared by individuals was for residential properties (see Figure 22.1).

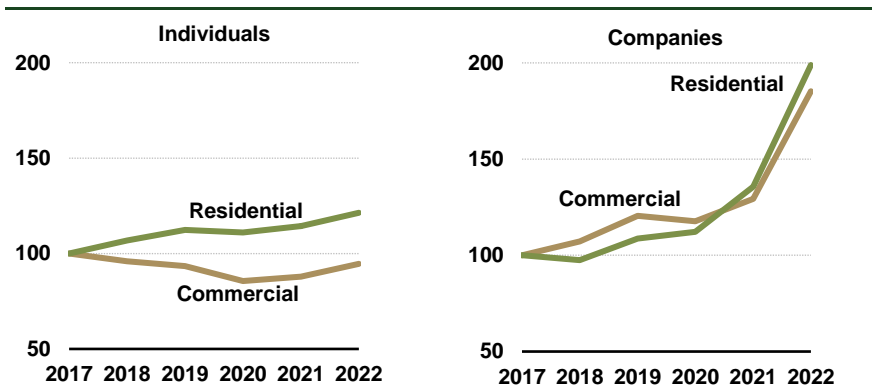
**Figure 22.1 Gross domestic rental income declared by individuals and companies in 2022**



Source: Revenue Commissioners. Analysis by the Office of the Comptroller and Auditor General.

**22.9** Over a six-year period (2017 to 2022), gross domestic rental income declared by individuals has increased moderately, rising by a total of 12% over the period. The average gross domestic rental income declared was approximately €4.5 billion per year. The gross domestic rental income declared by companies fluctuated up to 2020, before growing rapidly. Gross domestic rental income declared by companies increased to €3.2 billion in 2022, representing a 61% increase on 2020 (see Figure 22.2).

**Figure 22.2 Indices of gross domestic rental income declared by individuals and companies, 2017 – 2022 (2017 = 100)**



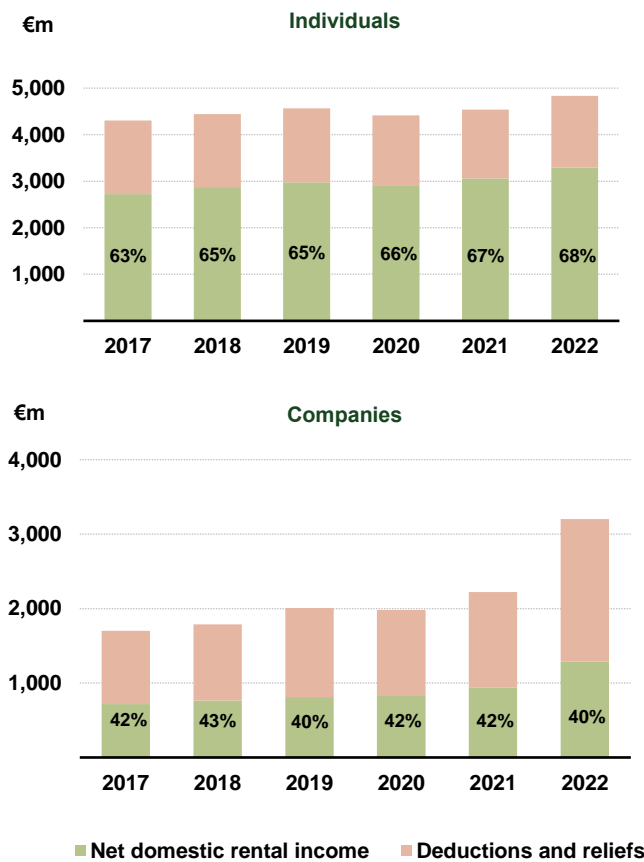
Source: Revenue Commissioners. Analysis by the Office of the Comptroller and Auditor General.

- 22.10** Revenue stated that the increase in 2022 may be due in part to the change introduced from 1 January 2022 whereby non-Irish tax resident corporate landlords are subject to corporation tax rather than income tax.
- 22.11** Rental income statistics based on Form 11 returns only are published annually by Revenue. While Revenue publishes a detailed corporation tax statistical report each year, information regarding domestic rental income declared by companies is currently not included in the report.

**Deductions and reliefs**

- 22.12** Individual taxpayers and companies that own rental properties are entitled to claim deductions and reliefs from gross rents for various expenses relating to those properties (see Annex 22A). This results in taxable net rental income. Deductions from gross domestic rental income are greater for companies than for individuals. Over the period 2017 to 2022, allowable deductions for expenses, capital allowances and losses resulted in net taxable income that was on average
  - 66% of gross rental income for individual taxpayers and
  - 42% of gross rental income for companies (see Figure 22.3).

**Figure 22.3 Net domestic rental income for individuals and companies, 2017 – 2022**

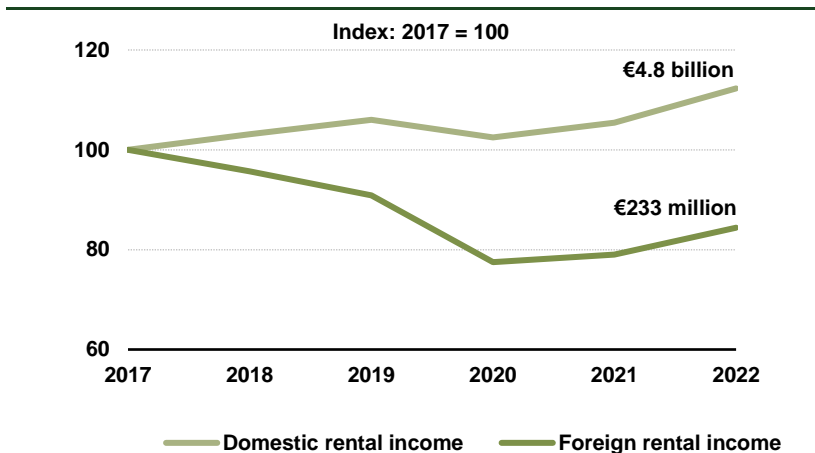


Source: Revenue Commissioners. Analysis by the Office of the Comptroller and Auditor General.

## Foreign rental income

- 22.13** For 2022, gross rental income of almost €233 million was declared on Form 11 returns in relation to foreign rental properties.<sup>1</sup>
- 22.14** The amount of gross domestic rental income declared by individual taxpayers increased by around 12% between 2017 (€4.3 billion) and 2022 (€4.8 billion). The amount of gross rental income declared in respect of foreign properties fell by around 16% to almost €233 million during the same period (see Figure 22.4).

**Figure 22.4 Index of declared gross domestic and foreign rental income by individuals, 2017 – 2022**



Source: Revenue Commissioners. Analysis by the Office of the Comptroller and Auditor General.

## Credits claimed under double taxation agreements

- 22.15** If an individual is resident and domiciled in Ireland, they are liable to Irish tax on the income received from renting out a foreign property. The general position regarding individuals that are non-resident in Ireland for tax purposes is that they are chargeable to Irish income tax on Irish-sourced income, for example, on rental income from a property situated in the State. Double taxation agreements with other jurisdictions ensure that a taxpayer does not pay income tax twice on the same income.
- 22.16** Where a double taxation agreement is in place, a taxpayer can claim a credit for any tax paid overseas in respect of foreign rental income that is also taxable in the State. While EU member states are required to exchange information under the Automatic Exchange of Information framework on several matters, including the ownership of and rental income from immovable property, they are not obliged to specifically notify Revenue in respect of property that is purchased by an Irish resident individual.
- 22.17** Tax credits claimed by individuals in respect of tax paid on foreign rental income averaged around €16 million per year over the period 2017 to 2022 and the trend broadly follows the foreign rental income for the period.

<sup>1</sup> The CT1 return does not request companies to identify foreign rental income separately from other foreign income. As a result, it is not possible to extract the amount of gross rental income declared by companies that relates to foreign properties.

## Returns filed by agents and tenants

- 22.18** Landlords who receive income from a property situated in the State are obliged to submit an annual income tax return to Revenue, regardless of their residency status. Filing options differ depending on where a landlord lives or is resident for tax purposes.

### Letting agents

- 22.19** A letting agent is a person or a company engaged by a landlord on a professional basis to arrange the letting out and/or management of the property on the landlord's behalf.<sup>1</sup> A previous examination found that there was no systematic matching of letting agent returns with Revenue's taxpayer records as the information contained in them was not captured electronically.<sup>2</sup> The report recommended that the introduction of an online facility for letting agent declarations should be considered to facilitate the matching of records from letting agents with taxpayer records.
- 22.20** In 2017, Revenue introduced a portal for letting agents to submit an annual return (Form 8-3) containing details of payments relating to managed premises. It must be filed annually with their corporation tax or income tax return. Over the period 2017 to 2022, just over 900 Form 8-3 returns were filed by letting agents.<sup>3</sup>
- 22.21** Form 8-3 return compliance is managed centrally by a dedicated team in Revenue, with a compliance programme carried out each year for potential non-filers. As part of the programme, potential filers are contacted to determine whether a requirement to complete a Form 8-3 exists, and to request submission of the form where it does.
- 22.22** In 2024, Revenue initiated a compliance programme in respect of 2022.<sup>4</sup> It identified 150 potential non-filers and wrote to 147 of these cases, requesting that they review their return filing requirement. Revenue received 70 returns based on the contact made and two letting agents advised that they did not or no longer had a requirement to file a return. No penalties have been applied for failure to file a Form 8-3 return for the years 2017 to date.<sup>5</sup>

<sup>1</sup> Letting agents used for the purposes of advertising and facilitating the booking of short-term lets, retail business and the real estate sector are not included.

<sup>2</sup> See [Report on the Accounts of the Public Services 2013, chapter 16, Taxation of Rental Income](#).

<sup>3</sup> This excludes rental for land and short-term lettings.

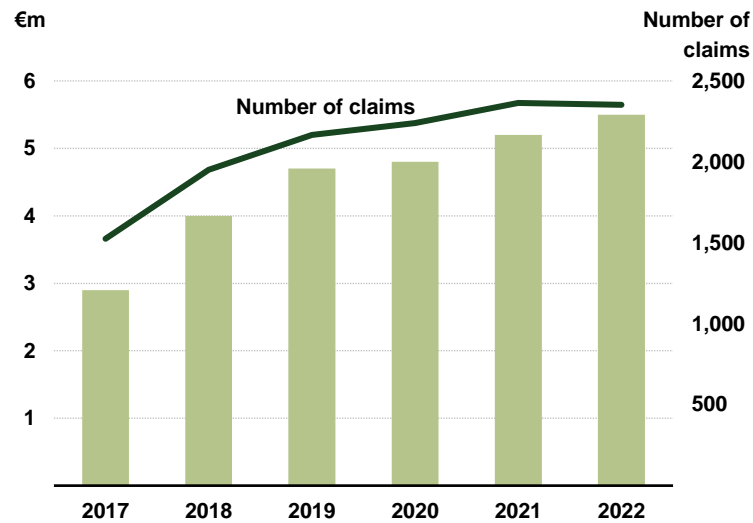
<sup>4</sup> Timing takes account of return-filing deadlines i.e. returns for 2022 are due by 31 October 2023 (or 15 November for those who file and pay via ROS).

<sup>5</sup> A penalty of up to €3,000 can be applied for failing to make a required return.

## Non-resident landlords

- 22.23** Rental income from an Irish property is subject to tax in Ireland, regardless of where the landlord resides. A tenant or another party paying rent directly to a non-resident landlord (for example, a local authority or other body paying housing assistance/HAP) is obliged to deduct 20% of the rent payable and remit it to Revenue. Anyone who fails to deduct withholding tax from rent may be liable themselves for any tax that should have been deducted.
- 22.24** The rent amount withheld by the tenant is then available to the non-resident landlord to use as a credit against their overall tax liability when they submit their annual return. The value of credits claimed by individual non-resident landlords has increased by almost 90% from €2.9 million in 2017 to €5.5 million in 2022, while the number of claims increased by 54% over the same period (see Figure 22.5).

**Figure 22.5 Value and number of credits claimed by individual non-resident landlords in respect of tax withheld by tenants, 2017 – 2022<sup>a</sup>**



Source: Revenue Commissioners

Note: a This represents the number of taxpayer units (i.e. married persons or civil partners that elect for joint assessment) that claimed a credit for withholding tax. There may be duplication in the number of credits reported as credit could have been claimed on a relevant return by the assessable spouse, non-assessable spouse or both.

**22.25** In July 2023, a new system was introduced for tenants and other parties paying rent directly to a non-resident landlord.<sup>1</sup> The Non-resident Landlord Withholding Tax (NLWT) system requires tenants to submit rental notifications when rent is paid directly to a non-resident landlord i.e. weekly, monthly etc. Tenants must remit the withheld rent to Revenue via the NLWT system. The withheld sum is then available to the non-resident landlord (for both individuals and companies) as a credit once they submit their annual tax return.

### **Collection agents**

**22.26** A collection agent can be a professional person, such as an estate agent, solicitor or accountant, a family member or other person assigned responsibility by the non-resident landlord to collect the rent on his/her behalf. Prior to the introduction of the NLWT system, the collection agent was the chargeable person for income tax and was required to submit an annual return to Revenue. However, with the introduction of the NLWT, the agent can opt not to be the chargeable person for the Irish rental income and can instead remit withholding tax to Revenue. In that instance, the non-resident landlord must file a return to Revenue.

**22.27** It is not possible to confirm the number of returns filed by collection agents over the period 2017 to 2022 as there is no specific marker that indicates that a filer is a collection agent. As a result, it is not possible to disaggregate this data from the returns filed.

<sup>1</sup> [Section 92 of the Finance Act 2022](#), which amended section 1041 of the Taxes Consolidation Act 1997.

## Comparing records to identify non-compliant landlords

**22.28** Comparing information from both internal and external sources, including third parties, helps Revenue in identifying discrepancies in taxpayer returns that may indicate an under-declaration of rental income.

### *Information on rental properties*

**22.29** The Form 11 and Form 12 for individuals and CT1 return for companies do not request information on the address or Eircode of rental properties. The forms currently only require the number and type (commercial or residential) of rental properties to be returned.

**22.30** The examination sought information from Revenue on the numbers of properties declared by individuals and companies in their returns. Revenue noted that although figures are available, the usefulness of the number of properties declared by individuals is limited due to the potential duplication of properties e.g. where there is joint ownership of a property.

**22.31** Revenue explained that given the nature of property ownership, each owner has a return filing obligation to declare the proportion of rental income to which they are liable from that property. Properties can be jointly owned by married couples, siblings, business partners, friends, former married couples, etc. A simple aggregate count of property numbers across returns does not account for such variables.

### *Claims for rent tax credit*

**22.32** The rent tax credit was introduced in Budget 2023 and is available to tenants for the tax years 2022 to 2025.<sup>1</sup> The credit reduces the amount of income tax payable for a tax year, provided the taxpayer has an income tax liability to offset the credit against. It cannot be offset against the Universal Social Charge or Pay Related Social Insurance.

**22.33** The maximum value of the tax credit for 2022 and 2023 is €1,000 for jointly assessed couples and €500 in all other cases.<sup>2</sup> Figure 22.6 shows the number and value of claims paid for the rent tax credit for the years 2022 to 2023.

**Figure 22.6 Rent tax credits claimed in 2022 and 2023**

	Number of taxpayers <sup>a</sup>	Value €m
2022	313,980	181
2023	354,110	208

Source: Revenue Commissioners

Note: a Refers to individual taxpayer units which can be an individual taxpayer or a couple who are jointly assessed.

<sup>1</sup> [Section 13 of the Finance Act 2022](#).

<sup>2</sup> For 2024 and 2025, the maximum amount increased to €2,000 for jointly-assessed couples and €1,000 in all other cases.

**22.34** In late 2022, Revenue explored the opportunity of cross-matching rent tax credit claims with data already stored in its own systems, such as Residential Tenancies Board (RTB) data and Local Property Tax (LPT) data using the Eircode to match properties. However, Revenue encountered difficulties matching rent tax credit claims to a property in the LPT data due to the lack of an Eircode in the latter. Legislation introduced in 2025 provides that Eircodes will become a mandatory field on LPT returns for the 2026 chargeable period onwards.<sup>1</sup>

### ***Other sources of information***

**22.35** Revenue also uses various third-party information sources to assist it in identifying potential non-compliant landlords — those that may not be declaring rental income and/or not filing returns for rental properties owned. The main sources of information include the following.

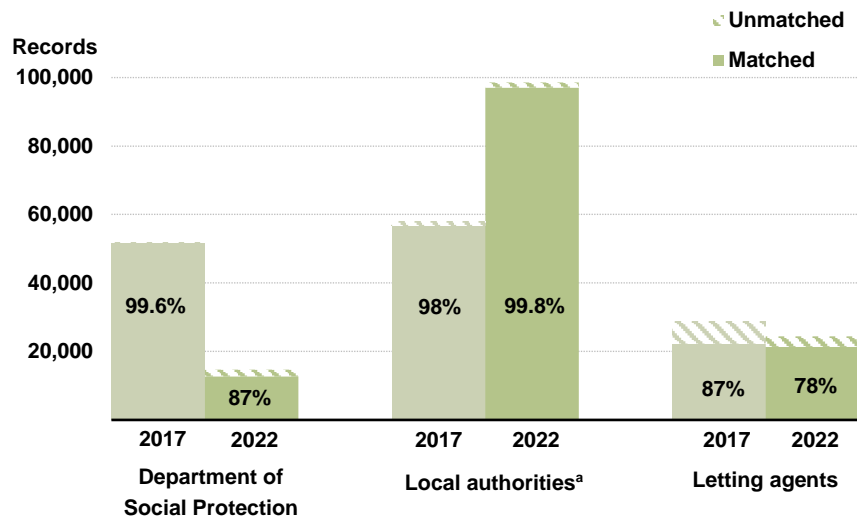
- Residential Tenancies Board — maintains a register of all private registered tenancies. Landlords are required to register details of all their tenancies within one month of their commencement date. The RTB provides bulk data to Revenue on an annual basis, with the transfer governed by a data exchange agreement. Revenue can also obtain data from the Tenancies Board on a case-by-case basis.<sup>2</sup>
- Department of Social Protection — maintains landlord details in respect of rent supplement payments made to tenants.
- Local authorities — maintain details of the landlords in receipt of housing assistant payments (HAP) or landlords taking part in the Rental Accommodation Scheme or the Social Housing Current Expenditure Programme.
- Letting agents – information submitted in the Form 8-3.

**22.36** Revenue matches data on property owners — using the landlord's name, address and PPSN or tax reference number — from these sources with its own records to confirm data held or to identify any anomalies. As can be seen in Figure 22.7, Revenue successfully matched most of its records for 2022 to these third-party sources. There were almost 6,600 (5%) unmatched records in 2022. The percentage of matched records for letting agents is lower than the other sources at around 87%, but this has increased from 78% in 2017.

**22.37** Between 2016 and 2024, Revenue successfully matched 81% of RTB data with its own records. There were 248,000 unmatched records over that eight-year period, or an average of around 31,000 per annum. However, by 2024, there was a significant improvement in the matching of records with unmatched records reduced to approximately 6,000 records.

<sup>1</sup> [Finance \(Local Property Tax and Other Provisions\) \(Amendment\) Act 2025](#) introduces amendments to the Finance (Local Property Tax) Act 2012.

<sup>2</sup> In accordance with [Section 148 Residential Tenancies Act 2004](#), to obtain the information Revenue must provide the RTB with the PPSN or company registration number of the landlord or company.

**Figure 22.7 Other sources of matched information, 2017 and 2022**

Source: Revenue Commissioners

Note: a The matching rate for local authorities is the combined result for the Rental Accommodation Scheme (96%), Housing Assistant Payments (100%) and Social Housing Current Expenditure Programme (96%).

- 22.38** Revenue noted that unmatched records can be a result of many factors, including the following.
- Duplication of landlord information — of the 248,000 unmatched RTB records, almost 34,000 relate to distinct landlords. The top 100 landlords (per count of tenancies) accounted for 105,000 unmatched records.
  - Tenancy records from charitable organisations or approved housing bodies are difficult to match and will often have multiple tenancies. There were approximately 87,000 unmatched records that have an approved housing body indication in the data.
  - International landlord information provided cannot be matched.
- 22.39** In addition to this, the RTB noted that it has been working with officials in the Department of Housing, Local Government and Heritage on new proposed legislation to facilitate increased data sharing with Revenue to further increase its capacity to identify unregistered tenancies.
- 22.40** Revenue noted that the decrease in records received from the Department of Social Protection is due to the nature of the payment. The Rent Supplement Payment is a short-term, means-tested payment and made directly to the tenant to support them in paying their rent. Recipients who continue to require support under the Rent Supplement Payment are moved to either the Housing Assistance Payment or the Rental Accommodation Scheme, provided through local authorities.
- 22.41** Revenue stated that it has a small, dedicated team that reviews the output of the matching process and works through unmatched data based on a prioritisation model. Unmatched data is also uploaded to Revenue's integrated business intelligence system where caseworkers can access and manually search on a name and address basis.

### **Census 2022 data on private landlords**

**22.42** Census 2022, carried out on the night of 3 April 2022, identified 513,704 occupied rental properties. Almost two thirds (330,632) of these properties were declared as rented from private landlords — a 7% increase when compared to 2016, when the previous Census was carried out.

**22.43** At the end of December 2022, the RTB's register of private tenancies recorded 246,453 tenancies — a difference of approximately 84,000 between the properties returned on the night of the 2022 Census.

**22.44** After completing a data-matching exercise, the Central Statistics Office (CSO) further reduced this difference by approximately 11,000 properties to 73,002 unmatched private rentals by excluding

- properties availing of rent-a-room relief
- properties found to be owned by a local authority in LPT data
- dwellings in which more than one household was recorded on the Census.<sup>1,2</sup>

**22.45** Of the 73,002 tenancies identified as not registered with the RTB, the CSO concluded that

- 35% (25,248) of the tenancies possessed characteristics that may indicate they are likely to be within the scope of RTB regulations<sup>3</sup>
- 65% (47,754) possessed characteristics that may indicate they are subject to an informal rental arrangement likely to be outside the scope of RTB regulations.<sup>4</sup>

**22.46** This indicates that approximately 10% of private tenancies were not in compliance with the requirement to register with the RTB. The CSO is prevented under its legislation from providing the RTB with a list of the properties subject to possible formal rental arrangements not registered with the RTB.<sup>5</sup> However, the RTB noted that the CSO analysis provided it with a breakdown of the counties with the highest levels of potentially unregistered tenancies. This enabled the RTB to deliver a geographically-targeted registration compliance campaign in partnership with seven local authorities in February 2025.

### **Managing non-compliance in the rental sector**

**22.47** Self-assessment of tax liabilities by individuals and companies is an important feature of the operation of tax and duties administration in Ireland. It is the responsibility of landlords (individuals and companies), in line with the self-assessment principle, to ensure that rental income is reported to Revenue via an annual tax return. Revenue's general approach is to promote voluntary compliance by taxpayers in the first instance and, where necessary, to follow up with the intervention most appropriate to the tax risk identified.

**22.48** Revenue approaches managing non-compliance in the rental sector through targeted projects — for example, the 2020 – 2024 landlord compliance project — alongside its normal risk-driven compliance activities.

<sup>1</sup> [Rented from Private Landlords 2022, CSO Frontier Series Research Paper](#), July 2024, discussed by the [Joint Housing Committee on Housing, Local Government and Heritage](#) in October 2024.

<sup>2</sup> According to the CSO, these were instances where more than one Census form was returned for an individual dwelling. This can happen when, for example, two separate households live in the same dwelling but maintain different housekeeping arrangements such as eating separately and not sharing common living spaces.

<sup>3</sup> The CSO recognised four characteristics of a private rental property as follows: not declared as a principal private residence; owner has self-declared rental income or property is owned by a company; a tenant in receipt of the Revenue rent tax credit; or the property is registered with the HAP scheme or anyone living in the property is receiving support through the HAP scheme or rent supplement.

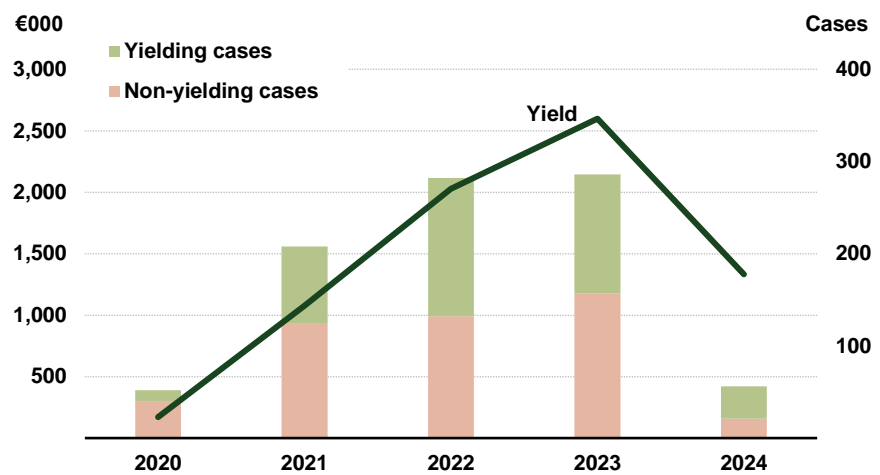
<sup>4</sup> Certain types of rented properties do not need to register with the RTB, such as short-term lettings for holidays, long-occupation lease tenancies and where a landlord rents to a close family member (spouse, parent or child) without a formal written tenancy agreement.

<sup>5</sup> [Statistics Act 1993](#), part V of the Act focuses on the protection of information, including restrictions on the use of information, prohibition on the disclosure of information and use of non-identifiable information for statistical analysis.

### Targeted projects

**22.49** In 2020, Revenue's personal division commenced a targeted project on landlords that ran until 2024.<sup>1</sup> The project focused on landlords with three or more properties that may have under-declared taxable rental income by overclaiming rental expenses. Between 2020 and 2024, the division carried out a total of 884 interventions. Around 46% of the cases yielded just over €7 million in additional tax, interest and penalties. The average yield from yielding cases over that period was approximately €18,000 (see Figure 22.8).

**Figure 22.8 Results of the landlord compliance project, 2020 – 2024**



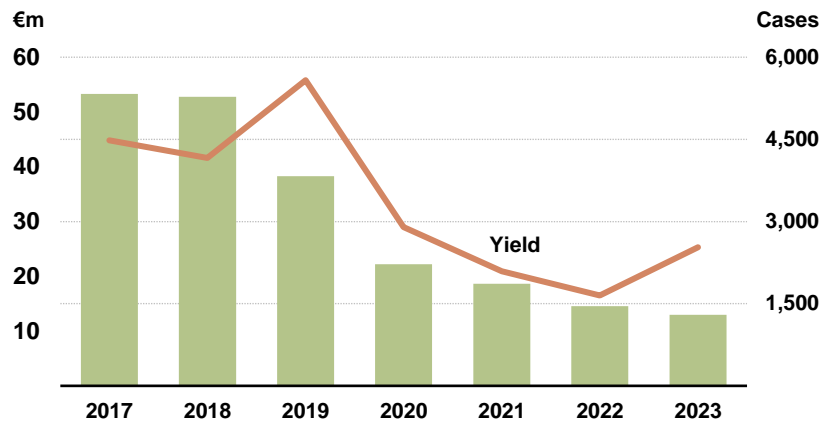
Source: Revenue Commissioners. Analysis by Office of the Comptroller and Auditor General.

**22.50** The significant reduction in the number of cases selected for inclusion in the project in 2024 (56 cases) was as a result of Revenue winding down the programme. Despite yielding €1.3 million from 35 cases in 2024, the project is no longer running. Revenue stated that the project focus has moved to identifying landlords who have not declared receipt of rental income, including cases of egregious non-compliance.

### General compliance activity

**22.51** Revenue carried out just over 21,000 interventions on taxpayers operating in the rental sector between 2017 and 2023 (see Figure 22.9). The total yield from those interventions (across multiple tax heads) over that period was just over €230 million in additional tax, interest and penalties. Revenue stated that these statistics are published in its annual reports, but a breakdown of the yielding and non-yielding cases that specifically related to rental income is not compiled for that purpose. As such, it was not possible to provide a breakdown.

<sup>1</sup> The personal division manages service and compliance activity for individuals with PAYE income only and entities with no trade or professional income such as trusts, charities or sporting bodies.

**Figure 22.9 Yield and number of interventions carried out on taxpayers operating in the rental sector, 2017 – 2023**

Source: Revenue Commissioners. Analysis by Office of the Comptroller and Auditor General.

- 22.52** These interventions were initiated by Revenue on taxpayers identified as operating in the rental sector where either third-party information or local intelligence within Revenue divisions indicated the presence of various risks. Yield from these interventions may relate to several tax heads e.g. income tax, VAT, corporation tax.
- 22.53** It was previously (in 2013) recommended that Revenue should consider requiring caseworkers to record intervention yields under several broad headings (e.g. retail, professional service, rental income) and then collate this data to better enable Revenue to identify the source of tax yield from its interventions.<sup>1</sup> At the time, Revenue was planning the development of a new case management system.
- 22.54** The case management system now in place does not allow analysis of overall intervention yields below main tax head. For example, the portion of the intervention yield of income tax that relates to rental income cannot be easily extracted at an aggregate level. This can only be confirmed by opening individual cases on Revenue's system.
- 22.55** Revenue stated that the introduction of reporting on tax yield from interventions at a granular level would introduce a high level of complexity into the case management system as well as development costs.

## Conclusions and recommendations

- 22.56** During the six-year period (2017 to 2022) under review, gross domestic rental income declared by individuals and companies increased steadily. The fastest rate of increase identified was in respect of rents declared by companies, which increased by 61% from 2020 to 2022.
- 22.57** In 2022, gross domestic rental income declared was around €8 billion comprising €4.8 billion declared by individuals and €3.2 billion declared by companies. Most rental income declared by companies relates to commercial properties, while individuals primarily declare rental income from residential properties.

<sup>1</sup> [Report on the Accounts of the Public Services 2013, chapter 16, Taxation of Rental Income.](#)

- 22.58** The examination found that although Revenue publishes annual statistics on rental income, this only includes income declared on Form 11 returns. It does not include rental income statistics for companies.

#### **Recommendation 22.1**

Revenue should consider publishing rental income (Schedule D Case V) statistics for companies. This would enhance transparency by showing how a significant part of the rental sector is contributing to overall Exchequer revenue. This information could be included in either Revenue's annual publication of rental statistics or its annual corporation tax analysis report.

#### **Accounting Officer's response**

Agreed.

Revenue publishes a comprehensive corporation tax analysis report, alongside its annual report each year. While Schedule D Case V income returned on corporation tax returns represents only one cohort of taxpayers operating in the wider rental sector, Revenue will consider the value of including such rental income statistics in future publications of its corporation tax analysis report.

#### **Timeline for implementation**

To be considered further when drafting the report for publication in 2026.

- 22.59** Individuals and companies can use deductible expenses, capital allowances and losses to reduce their overall taxable rental income. Over the period 2017 to 2022, this has resulted in average net taxable income that is 66% of gross domestic rental income for individual taxpayers and 42% of gross domestic rental income for companies.

#### **Foreign rental income**

- 22.60** Almost €233 million gross foreign rental income was declared by individuals on Form 11 returns in respect of 2022.
- 22.61** Where a double taxation agreement is in place with another jurisdiction, a taxpayer can claim a credit for any tax paid overseas in respect of foreign rental income that is also taxable in the State. Between 2017 and 2022, double taxation credits claimed by individuals averaged around €16 million per year.
- 22.62** While EU member states are required to exchange information under the Automatic Exchange of Information framework on several matters, including ownership of and income from immovable property, they are not specifically obliged to notify Revenue in respect of property that is purchased by an Irish resident. The Form 11 return does not request the taxpayer to confirm the location of the foreign rental property when claiming the credit.

#### **Letting agents**

- 22.63** A previous recommendation on the introduction of an online facility to facilitate the matching of records from letting agents with taxpayer records was implemented by Revenue in 2017. Over the period 2017 to 2022, just over 900 Form 8-3 returns were filed by letting agents.

### ***Non-resident landlords***

**22.64** Tenants and other parties paying rent directly to a non-resident landlord are obliged to deduct 20% of the rent payable and to remit it to Revenue. The rent amount withheld by the tenant is then available to the non-resident landlord to be used as a credit against their overall tax liability when they submit their annual return. In 2022, the value of credits claimed by individual non-resident landlords was €5.5 million.

### ***Comparing records to identify non-compliant landlords***

**22.65** Matching information from various sources, including third party data, enables Revenue to identify inconsistencies in taxpayer returns that may point to under reported rental income.

**22.66** Taxpayer returns (Form 11, Form 12 and CT1) request the number and type (commercial or residential) of rental properties to be returned. Details of individual properties are currently not required to be provided. This limits Revenue's ability to match the information contained in taxpayer returns with its own records and third-party sources to identify taxpayers that may warrant further review.

**22.67** LPT legislation has recently been amended to provide that Eircodes will be mandatory on LPT returns for the 2026 chargeable period onwards. This should improve the accuracy of property identification in the future.

**22.68** Following the introduction of the rent tax credit in 2022, tenants claimed a total of €181 million and €208 million for the tax years 2022 and 2023 respectively. While the rent tax credit data can be used on a case-specific basis for compliance intervention work, large-scale analysis and matching of the data to existing Revenue sources is not possible.

### **Recommendation 22.2**

To enhance its ability to match data, Revenue should consider amending its taxpayer returns forms (Form 11, Form 12 and CT1 returns) to include details of individual properties including for example a unique property identifier such as the Eircode.

#### **Accounting Officer's response**

Not agreed.

Revenue's role is to implement the legislation in place. At present, the legislative provisions setting out the basis of assessment for Case V in the Taxes Consolidation Act does not provide for the requirement for a breakdown of individual properties. It is not possible, without policy decisions and legislative provision, to add additional information-gathering requirements to tax returns.

Furthermore, responsibility for gathering information for what is essentially a rental property register is not in keeping with Revenue's role. A landlord is required to register rental properties with the Residential Tenancy Board and it would seem to be a significant and disproportionate requirement on compliant landlords to duplicate the provision of property details through their tax returns. In addition, landlords of residential properties are required to meet their Local Property Tax obligations which will now include the Eircode as a mandatory field.

#### **Timeline for implementation**

Not applicable.

- 22.69** Revenue matches its own records on property owners with the Residential Tenancies Board (RTB), local authorities, the Department of Social Protection and letting agents to identify any anomalies. Revenue successfully matched the majority of its records to these third-party sources for 2022. Improved matching of RTB registrations with Revenue records provides reasonable assurance that landlords who are RTB compliant are also making declarations for tax purposes.
- 22.70** When Census data (captured in early 2022) was compared to RTB data at the end of 2022, it indicated that around 10% of private tenancies were not in compliance with the requirement to register with the RTB. Under its current legislation, the CSO is unable to share identifying information on these tenancies with the RTB. However, the RTB noted that the CSO analysis provided it with a breakdown of the counties with the highest levels of potentially unregistered tenancies. This enabled the RTB to deliver a geographically-targeted registration compliance campaign in partnership with seven local authorities in February 2025.

#### ***Managing non-compliance in the rental sector***

- 22.71** A project on landlords carried out by Revenue's personal division between 2020 and 2024 identified that 46% of cases reviewed had under-declared their rental income tax by overclaiming rental expenses. These cases yielded a total of just over €7 million in additional tax, interest and penalties.
- 22.72** Revenue carried out just over 21,000 interventions on taxpayers who operated in the rental sector between 2017 and 2023. The total yield from those interventions (across multiple tax heads) was just over €230 million in additional tax, interest and penalties. Revenue is unable at the aggregate level to report the amount of the yield or the number of yielding cases that specifically related to rental income.

**Recommendation 22.3**

To enable it to identify the source of tax yield from interventions, Revenue should consider requiring caseworkers to record the yield from compliance activity under the specific income stream giving rise to the yield (e.g. rental income) and collate this data.

**Accounting Officer's response**

Not agreed.

Revenue adopts a whole-case management approach across its compliance framework meaning that multiple risks across multiple tax heads can be addressed through a single compliance intervention. Revenue's case management system facilitates the reporting of compliance intervention outcomes by sector, including the rental sector, using NACE code conventions. The NACE code under which an individual or company is categorised within Revenue data systems is input at the self-assessment registration stage whereby the company or individual selects the most appropriate NACE code that reflects their main business activity or activities. Data extraction on the basis of NACE code has its limitations as it cannot offer the required granularity where a taxpayer has multiple economic activities. For example, in the majority of cases, the rental of a residential property may not be the main business of the taxpayer and therefore, such a taxpayer is not readily identifiable from the data as being in receipt of rental income.

The case management system reports on tax yield for particular income tax or corporation tax return period(s), as it is the filed return (or multiple returns) that generally forms the basis of a compliance intervention. For individuals, rental income is taxed under Schedule D Case V and is reported by the taxpayer in their Form 11 return, which contains details of all income liable to tax, in relation to a particular return period. The introduction of reporting on tax yield from interventions at a granular level would introduce a high level of complexity (as well as development costs) into the case management system.

Revenue is satisfied that compliance intervention reporting adequately supports effective reporting on compliance activities. Additionally, when Revenue initiates specific compliance programmes targeted at landlords or short-term letting, the outputs of such compliance programmes are monitored and evaluated on an on-going basis.

## Annex 22A Rental income deductions and expenses

### *Deductible expenses*

Revenue applies three main rules when assessing an individual's/company's right to claim expenses to reduce a rental income tax liability. The rules are that the expenditure

- has been incurred by the landlord
- is not of a capital nature
- must generally be incurred during the period in which the landlord is entitled to receive rental income.

Some examples of expenses that may be claimed are repairs, insurance, advertising costs, property maintenance costs and accountancy fees in relation to the preparation of a rental account and management fees. A deduction is also available for mortgage interest on loans used to purchase, improve or repair a rented residential property. However, to claim a deduction for mortgage interest relief, the landlord must be registered with the Residential Tenancies Board (RTB).<sup>1</sup>

### *Capital allowances*

Capital allowances can be claimed by individuals and companies on the cost of fixtures and fittings in the rental property. The allowances are claimed at a rate of 12.5% per annum over an eight-year period from the date of purchase. In addition to capital allowances on fixtures and fittings, an individual or a company may also claim capital allowances on qualifying assets that generate the rental income, for example, industrial buildings (4% over 25 years).

### *Losses*

For an individual, where a loss arises because of allowable expenses being more than the rents received, the loss can be carried forward and set against future rental profits. Losses incurred in prior-year periods may be used against current-year profits after deductions to reduce the amount of rental income that is subject to tax. Losses on uneconomic rentals may not be set against profits from other rental properties.<sup>2</sup>

In the case of companies, if the main source of income is derived from the rental property sector, rental losses can be used in full (i.e. 100% of the losses) to reduce the amount of taxable rental income. Trading losses however (as opposed to rental losses), may only be used to reduce taxable rental income by 12.5%. As with individuals, losses on uneconomic rentals are not permitted to be used.

### *Pre-letting expenses*

Certain expenses incurred on a vacant residential premises (pre-letting expenses) are authorised as a deduction against rental income from that premises.<sup>3</sup>

<sup>1</sup> From April 2022, a landlord is obliged to register a tenancy with the RTB within one month of its commencement date and every year thereafter on the anniversary of the date the tenancy began, for so long as the tenancy exists.

<sup>2</sup> Uneconomic rentals, as provided for in section 75(4) of the Taxes Consolidation Act, are those where the rent under a lease is insufficient, taking one year with another, to defray the expenses and obligations of the lease. This could include so-called peppercorn rents, where a nominal or very low rent charge is in place and fixed as part of a long-term lease.

<sup>3</sup> Section 97A of the Taxes Consolidation Act 1997.

The maximum authorised deduction is set at €10,000 per vacant premises from 1 January 2023. Prior to this, the cap on allowable pre-letting expenses was €5,000. The type of pre-letting expenditure that can be deducted from rental income is of the same type authorised under section 97(2) TCA. There is a clawback if the property ceases to be a rented residential property within four years of letting the property.

## 23 Receipts from the capping of electricity sales revenues

- 23.1** In October 2022, EU Council regulation 2022/1854 (the Regulation) was introduced as an urgent response to surging energy prices within the EU caused largely by volatile markets for fossil fuels due to the war in Ukraine.<sup>1</sup>
- 23.2** One part of the Regulation provided for an annual levy — referred to as a temporary solidarity contribution (TSC) — chargeable in respect of relevant activities of an energy company.<sup>2</sup> In Ireland, the TSC applied retrospectively to the years 2022 and 2023.<sup>3</sup> The TSC was collected by the Office of the Revenue Commissioners and paid over to the Exchequer.<sup>4</sup> TSC receipts totalling €271.4 million were collected in 2023 and 2024.
- 23.3** Separately, the [Energy \(Windfall Gains in the Energy Sector\) \(Cap on Market Revenues\) Act 2023](#) (the Act) gave effect to another part of the Regulation. The Act requires payments to be made into a special-purpose Market Cap Fund (the Fund) by producers, intermediaries or traders engaged in the sale of electricity (electricity suppliers).
- 23.4** The market cap liability was calculated in respect of revenues earned by electricity suppliers during the period 1 December 2022 to 30 June 2023 that exceed capped amounts set for different fuel sources. The capped amounts for each fuel source/type are set out in Annex 23A. The money in the Fund is to be used to finance measures in support of final electricity consumers to mitigate the impact of high electricity prices.
- 23.5** EirGrid is responsible for establishing and maintaining the Fund as well as being the collection agent for the payments from the electricity suppliers.<sup>5</sup> Electricity suppliers were required to submit a return to the Commission for Regulation of Utilities (CRU) containing their assessment of the payment due to the collection agent.
- 23.6** As a commercial State body, EirGrid itself is not under the audit remit of the Comptroller and Auditor General. However, EirGrid is responsible for keeping proper accounts for the Fund and is required to submit them for audit to the Comptroller and Auditor General. The first set of accounts for the Fund presented for audit relates to the period 17 November 2023 to 30 September 2024.<sup>6</sup>
- 23.7** While not specified in the Act, the Secretary General of the Department of Climate, Energy and the Environment (the Department) has assumed responsibility for signing the accounts and implementing Government policies appropriate to the Fund.

<sup>1</sup> [Council Regulation \(EU\) 2022/1854](#).

<sup>2</sup> [Energy \(Windfall Gains in the Energy Sector\) \(Temporary Solidarity Contribution\) Act 2023](#).

<sup>3</sup> The Government did not extend the TSC beyond the chargeable period of 2023.

<sup>4</sup> *Report on the Accounts of the Public Services 2024*, chapter 1, Exchequer financial outturn for 2024.

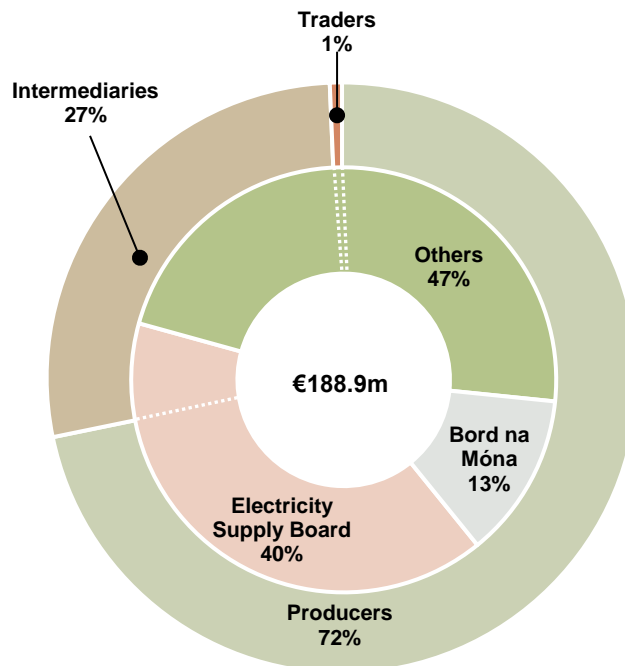
<sup>5</sup> EirGrid is a State-owned company that is responsible for the electricity grid in Ireland.

<sup>6</sup> The financial reporting date for the Fund (30 September) coincides with the EirGrid financial reporting date.

## Returns and payment

- 23.8** The statement on internal financial controls attached to the Fund accounts reports that the CRU is responsible for assessing the returns and ensuring the completeness of the returns received from the electricity suppliers.
- 23.9** The electricity suppliers were required to make a return to the CRU by 31 December 2023. A nil return was required if there was no assessed liability.<sup>1</sup>
- 23.10** A total of 236 returns with a calculated liability of €188.9 million were received. Fifty-six returns were not received by the deadline. The last return was received on 13 May 2024 and five returns were found liable to surcharges due to lateness.
- 23.11** Amounts totalling €188.5 million were received into the Fund as at 30 September 2024 (see Figure 23.1).

**Figure 23.1 Fund payments received and receivable 30 September 2024<sup>a,b</sup>**



Source: EirGrid and Commission for Regulation of Utilities

- Notes:
- a Includes €441,000 not received comprising adjusted surplus cap (i.e. return amount) of €412,000 and interest/surcharges of €29,000.
  - b Interest applies to late payments and surcharges apply to late returns. These amounted to €120,000.

## Other income

<sup>1</sup> Out-of-scope suppliers (e.g. gas generators) had to submit a nil assessment, while in-scope suppliers had to file a return explaining any payment due or why none was owed.

- 23.12** In February and March 2024, a total of €181 million was placed with the National Treasury Management Agency in the form of Exchequer Notes at a one-month rolling maturity. Interest capitalisation earned on the amount at a rate of 1% to the end of September 2024 was almost €1.2 million.

## Completeness of returns

- 23.13** The CRU used a spreadsheet to track the 236 returns received which it made available to EirGrid. The CRU engaged consultants to assist in assessing the accuracy of the returns. As at August 2024, high-level validity checks had been completed on all returns.
- 23.14** A spreadsheet recording issues identified during the checks is maintained by the CRU. At the end of February 2025, the tracker recorded 109 issues that had been identified, with 75% of them classified as open issues. Seven issues identify potential additional money owed by participants.
- 23.15** The CRU is in the process of conducting detailed assessments on the top four returns accounting for nearly 56% of the total payments made to EirGrid. The CRU carried out a prioritised sample of the remaining 232 returns. These prioritised returns, along with the top four returns, account for nearly 64% of the total payments made to EirGrid. As part of the assessment process, the CRU has issued requests for further information.
- 23.16** In the period July 2023 to June 2025, the cost of the consultants was almost €2 million. The CRU estimates further costs to the end of September 2025 of approximately €214,000, with work to continue beyond that date. The cost of the consultants is being met by an electricity levy collected from regulated entities.

## Fund disbursements

- 23.17** The balance of the Fund as at 30 September 2024 (the financial reporting date) was approximately €190 million.
- 23.18** Section 28 of the Act provides that the Minister for Climate, Energy and the Environment (the Minister) shall, with the consent of the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitisation, prescribe one or more schemes for the disbursement of monies from the Fund. Monies must be used as per the Regulation, to finance measures in support of final electricity customers that mitigate the impact of high electricity prices on those customers, in a targeted manner.
- 23.19** The Department has stated that, in August 2025, the Minister prescribed the existing Non-Domestic Microgen Scheme to receive a disbursement of up to €27 million from the Fund.<sup>1,2</sup> As at 15 September 2025, €3.9 million has been disbursed to the Sustainable Energy Authority of Ireland, which operates the microgen scheme. Up to then, the scheme had been funded from Vote 29 Climate, Energy and the Environment.

## Accountability

- 23.20** The Secretary General of the Department is the Accounting Officer for the Fund. The Accounting Officer relies on confirmation from EirGrid that an effective internal financial control system is in operation to ensure the accuracy and completeness of the financial statements. However, a service level agreement formalising the roles and responsibilities of the Department and EirGrid in the operation of the Fund has only been in place since 28 July 2025.

<sup>1</sup> Except for the repayment of any overcharges to participants, the Act does not provide for any other disbursements from the Fund.

<sup>2</sup> [Non-domestic microgen grant](#).

- 23.21** Similarly, the Accounting Officer relies on the validation work of the CRU to ensure the completeness and accuracy of the returns submitted by participants. The Department stated that the CRU's responsibility for validating returns is defined in the Act and therefore, a service level agreement with the CRU was not required.

## Conclusions

- 23.22** The Market Cap Fund was established by law in 2023 on an emergency basis with several entities assigned statutory responsibility for different elements of the Fund's administration and maintenance. The legislation did not create formal accountability for the financial statements of the Fund. This role has been assumed by the Secretary General of the Department of Climate, Energy and the Environment.
- 23.23** EirGrid's main role was in collecting the levy amounts. Since the chargeable period has not been extended, that role is now largely over.<sup>1</sup> However, EirGrid remains responsible for the administration and management of the Fund and for the production of the accounts of the Fund. EirGrid has stated that it will take direction from the Department regarding the disbursement of monies from the Fund and will not be using any of the funds for its own purposes.
- 23.24** As at the Fund's reporting date — 30 September 2024 — the balance in the Fund stood at €190 million. Most of the payments into the Fund had been received by the end of January 2024. In August 2025, the Minister for Climate, Energy and the Environment prescribed a scheme for the utilisation of some of the Fund resources. As of 15 September 2025, €3.9 million has been disbursed in respect of the designated scheme.

<sup>1</sup> Following CRU's validation checks, participants may be required to submit a revised return and pay additional monies to the Fund (or be repaid from the Fund).

**Annex 23A Applicable market cap per fuel source**

Fuel source	Market cap €/MWh <sup>a</sup>
Wind energy	120
Solar energy	120
Geothermal energy	180
Hydropower (with or without reservoir)	120
Biomass	Max (180, ACP <sup>b</sup> plus 15)
Waste	180
Nuclear energy	180
Lignite	180
Crude petroleum	Max (180, ACP <sup>b</sup> plus 120)
Peat	Max (180, ACP <sup>b</sup> plus 15)
Hard coal	Max (180, ACP <sup>b</sup> plus 35)

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Source: Commission for Regulation of Utilities

- Notes:
- a MWh is one megawatt of power produced for one hour.
  - b The market cap that applies to certain fuel sources depends on the 'allowable cost of production' (ACP), which is a bespoke value for each generating unit. ACP could vary as it reflects a generating unit's marginal costs.



## 24 The collection and allocation of PRSI receipts

- 24.1** Pay-related social insurance (PRSI) is payable in respect of the income of most workers and the self-employed. PRSI contributions collected from employees, employers and the self-employed are paid into the Social Insurance Fund (SIF), which provides benefits and entitlements to insured persons.
- 24.2** The Department of Social Protection (the Department) has responsibility for the PRSI system and the determination of all social insurance matters. The Office of the Revenue Commissioners (Revenue) collects the vast majority of PRSI receipts on behalf of the Department on a statutory basis.<sup>1</sup>
- 24.3** The National Training Fund (NTF) was established by the National Training Fund Act 2000 (the Act) as a dedicated fund to support employment-focused training.<sup>2</sup> The Act provides for funding of the NTF through the imposition of a levy on employers in respect of certain employees. The levy receipts are collected by Revenue as part of overall PRSI receipts through the tax collection system and are remitted directly to the current account of the SIF.<sup>3,4</sup> The Act provides that the amount paid into the SIF in respect of NTF levies should be matched by an amount paid from the SIF to the NTF.
- 24.4** The Department allocates the amounts received from Revenue between the SIF and the NTF using estimates based on underlying payroll data provided by Revenue. Any weaknesses in the integrity of the underlying data could result in an under or over allocation of funds from the SIF to the NTF, directly impacting on the amounts available to spend in each fund. The data used in the allocation process must therefore be accurate and available on a timely basis.
- 24.5** This examination was undertaken to review the process by which PRSI is collected and allocated to the SIF and NTF. In particular, it focuses on
- the collection of PRSI receipts (including the NTF levy) by Revenue and the underlying information available
  - the remittance of PRSI receipts to the Department and the subsequent allocation to the SIF and NTF
  - the impact of recent developments on the allocation of PRSI receipts.
- 24.6** The examination team reviewed key documents and data produced by the Department and Revenue, interviewed relevant members of staff of both organisations and performed data analysis.
- 24.7** Figure 24.1 provides an overview of how payroll data and PRSI receipts are processed by Revenue and the Department to arrive at an allocation of funds to the SIF and the NTF.

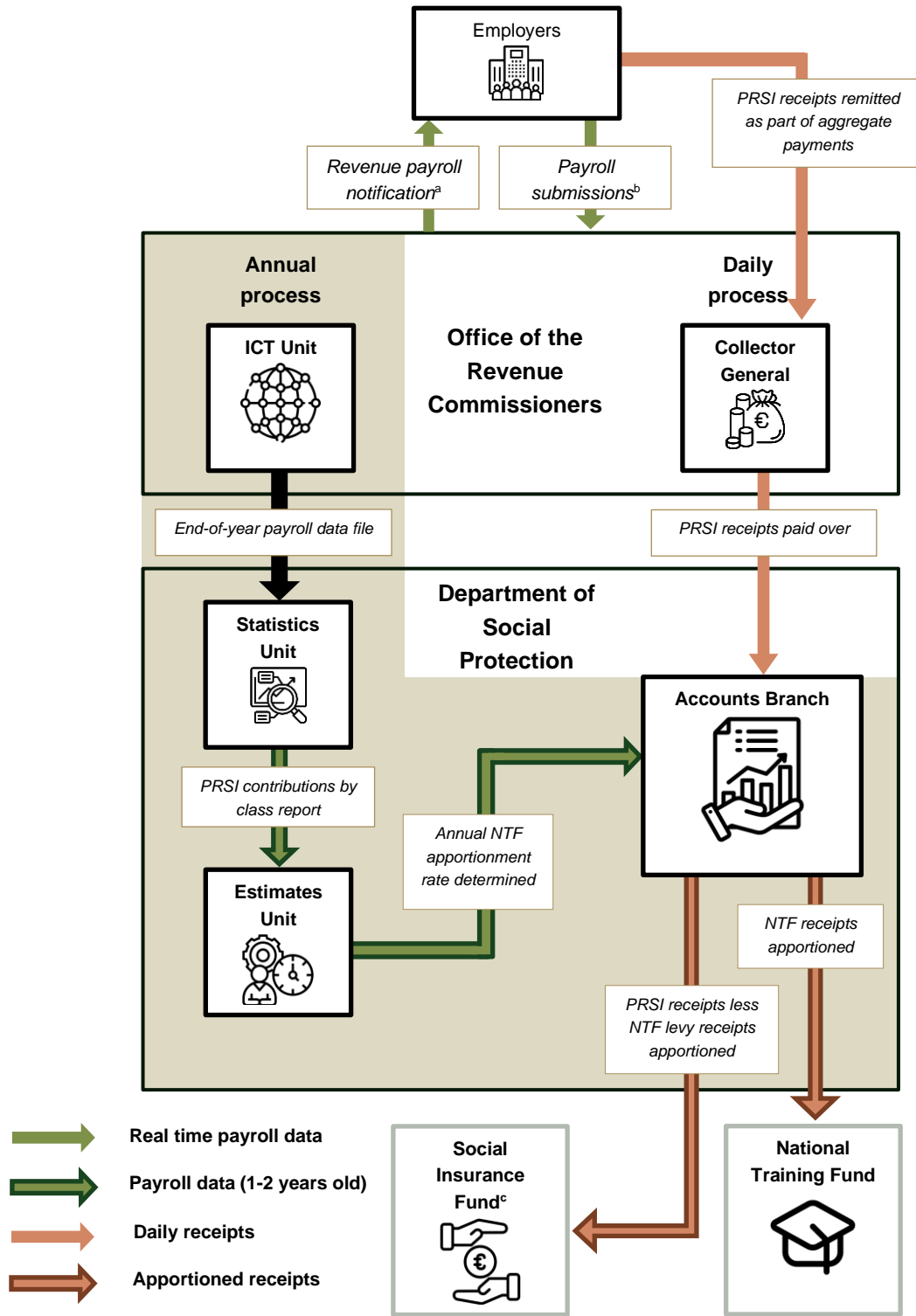
<sup>1</sup> The operational arrangements between the Department and Revenue are set out in a memorandum of understanding and a data sharing agreement.

<sup>2</sup> The Department of Further and Higher Education, Research, Innovation and Science has responsibility for the management of the NTF, and for the related annual financial reporting.

<sup>3</sup> The current account of the SIF is a commercial bank account controlled by the Department.

<sup>4</sup> See *Report on Accounts of the Public Services 2022*, chapter 19, [National Training Fund](#).

**Figure 24.1 Overview of the collection and allocation of Schedule E PRSI receipts**



Source: Analysis performed by the Office of the Comptroller and Auditor General

- Notes:
- a Revenue payroll notification provides employers with up-to-date details on employee’s tax credits and rate bands.
  - b When making a payment to an employee, an employer must report a number of details to Revenue in the form of a payroll submission. This includes pay and statutory deductions.
  - c The Social Insurance Fund is funded by PRSI receipts derived from both Schedule D and E income.

## Assessment of PRSI receipts

**24.8** Income is categorised into four ‘schedules’ for income tax purposes, with Schedules D and E making up the majority of taxable income (see Figure 24.2).<sup>1</sup>

- **Schedule D income** relates to a range of income types arising from self-employment, as well as investment income and rental income.<sup>2</sup>
- **Schedule E income** is derived from employment, with income taxes, universal social charge and PRSI deducted at source by the employer under the pay as you earn (PAYE) system.

While both Schedules D and E income are subject to PRSI, 97% of all PRSI receipts remitted to the Department in 2024 were derived from Schedule E income.<sup>3</sup>

**Figure 24.2 Characteristics of Schedule D and E income**

	Schedule D	Schedule E
<b>Income type</b>	Trading, rental, investments, dividends, interest etc.	PAYE – Employment income
<b>PRSI class/categories</b>	Class K and S	Class A, B, C, D, E, H, J, K, M and S <sup>a</sup>
<b>Return frequency</b>	Annual	Monthly
<b>Assessable income</b>	Total income	Salary subject to PAYE
<b>Duration</b>	Once-off or continuous income	Full or part-time employment
<b>Payees</b>	Self-employed	Employee and employer
<b>PRSI rates</b>	4.1% <sup>b</sup>	Various <sup>a</sup>

Source: Department of Social Protection

Notes: a See Annex 17A of the *Report on the Accounts of the Public Services 2024*, chapter 17, Classification of workers for PRSI purposes, which summarises the different PRSI classes and the underlying rates.

b Rates are due to increase by 0.1% from 1 October 2025.

<sup>1</sup> Schedule C relates to income arising from certain interest annuities, dividends or shares of annuities payable in the State out of public revenue. Schedule F includes dividends paid and distributions made by Irish resident companies.

<sup>2</sup> See *Report on the Accounts of the Public Services 2024*, chapter 22, Taxation of rental income.

<sup>3</sup> Total employment income is significantly higher than total income derived from self-employment. In addition, the PRSI rates applied to Schedule E income are higher than those applied to Schedule D income.

## Collection of PRSI receipts

**24.9** The Collector General’s division in Revenue is responsible for the collection of PRSI receipts for both Schedule D and E income.

**24.10** From 1 January 2019, Revenue introduced a modernised PAYE system that requires real-time payroll reporting from employers. As part of this modernised system, employers are required to retrieve the most up-to-date Revenue information (e.g. tax credits and rate bands) for each of their employees from Revenue, in advance of each pay period. This allows employers to calculate the correct income tax liability and deduct the correct amounts from each employee in every pay period.

**24.11** On finalising the payroll, employers report payroll data to Revenue in the form of a payroll submission. The payroll submission includes information such as the pay date, the amount of pay and the statutory deductions for each employee.

**24.12** Revenue then provides the employer with an aggregate monthly statement based on payroll submissions, and this forms the basis of a monthly payroll return.<sup>1</sup> Each return provides a breakdown of the employer's liability for income tax, universal social charge, local property tax and PRSI. Employer liabilities and payments are recorded at this aggregate level.

**24.13** As outlined in Revenue's annual report for 2024, 99% of PAYE and PRSI liabilities were paid in the month they were due.<sup>2</sup> However, Revenue stated the actual PRSI cash receipts paid over to the Department cannot be reconciled with the underlying payroll data that provides the basis of the liability due.

**24.14** Revenue has stated that a reconciliation between the amounts paid and the underlying payroll data would only be achieved with a full real-time payroll system which requires employers to report payroll data at employee level and make a corresponding payment, in full, of the consequential liabilities at employee level at the same time. Revenue considers that such a system would not be an efficient or effective method of tax collection and would be costly and burdensome on employers and their businesses. In the absence of such a system, there are challenges that prevent a reconciliation between the amounts paid and the underlying payroll data.

- PRSI payments from employers (i.e. cash receipts data) are made in settlement of the liabilities declared on an employer's monthly return. These liabilities, while based on payroll submissions made by an employer, are the aggregate or 'rolled up' amount owing for PRSI at an overall employer level, and do not include details of the underlying employee's payroll data.
- Revenue's customer accounting system for tax returns compiles transactions into tax-head categories.<sup>3</sup> This presents a view of the 'rolled up' balances by tax head returned by each employer.
- PRSI receipts paid over in a period may have been adjusted for repayments, transfers, offsets and lodgements from various payment sources and periods. Similar to above, these adjustments are reflected on a 'rolled up' basis at an employer level and do not include details of the underlying payroll data.

<sup>1</sup> Employers are required to amend or correct details of any inaccuracies identified in the relevant payroll submissions.

<sup>2</sup> See [Annual Report 2024, Revenue](#).

<sup>3</sup> Income-related tax 'heads' include income tax, universal social charge, local property tax income deductions and PRSI.

**24.15** Revenue also stated that a policy decision was taken not to implement a full real-time payroll system on the introduction of the modernised PAYE system having regard to the cash flow implications that a move to such a system would have on employers and their businesses.

**Schedule D and Schedule E payover process**

**24.16** Revenue pays over PRSI related payments in respect of Schedule D and Schedule E taxpayers to the Department/SIF at different intervals. As part of the payover process, Revenue provides different accompanying statements to the Department (see Figure 24.3).

- Revenue uses an internal reporting tool when preparing the reports that accompany the Schedule D monthly payovers. This allows Revenue to report PRSI receipts by year that the PRSI liability relates to for Schedule D income.<sup>1</sup>
- In the case of Schedule E payovers, the Department receives a daily estimate of the amount collected, based on employers' payment instructions to Revenue, and a notification of the actual amount paid the following day.

**Figure 24.3 Schedule D and Schedule E payover reports produced by Revenue**

	Schedule D	Schedule E
<b>Daily</b>	—	<ul style="list-style-type: none"> <li>• Estimate of aggregate Schedule E payover amount</li> <li>• Actual Schedule E payover amount</li> </ul>
<b>Monthly</b>	<ul style="list-style-type: none"> <li>• Breakdown of Schedule D cumulative daily returns collected. Includes a breakdown of years to which the payments relate i.e. 2020 – 2025<sup>a</sup></li> <li>• Breakdown of Schedule D monthly returns by type and year 1990 – 2025</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of daily amounts paid over in the month</li> </ul>
<b>Annual</b>	<ul style="list-style-type: none"> <li>• Summary of the amounts collected, paid and outstanding as at year-end</li> <li>• Breakdown of the receipts paid by year of liability i.e. 2020 to 2025</li> <li>• Summary of any adjustments in the amounts paid over in the year</li> </ul>	<ul style="list-style-type: none"> <li>• Summary of the amounts collected, paid and outstanding as at year-end</li> </ul>

Source: Revenue Commissioners and the Department of Social Protection

Note: a Figures extracted from Revenue's reporting tool.

**24.17** The estimated and actual amounts of Schedule E payovers are usually different, due to adjustments made for repayments, transfers and offsets. The estimated figures provided by Revenue are used as indicators for the Department's cash flow forecasting process. The actual figures, received subsequently, are relied upon by the Department for financial reporting purposes.

**24.18** Despite Schedule E accounting for 97% of all PRSI receipts paid over, the information provided by Revenue to support the Schedule E payover is significantly less detailed than that provided for Schedule D. Revenue stated that the information provided for Schedules D and E PRSI amounts are different by necessity due to the way PRSI receipts are paid over, and the tax obligations which affect timing of returns and frequency of payments.

<sup>1</sup> The Schedule D payover report includes PRSI derived from self-employment, relevant tax on share options, levies on health contributions and other Schedule D income not captured by Revenue's online systems.

**24.19** For this examination, the audit team reviewed a breakdown of monthly Schedule E PRSI payroll data by subclass on the Revenue reporting system. However, Revenue stated that reconciling payroll data at employee level with aggregate payments made at employer level can only be achieved with a full real-time payroll system.

*Revenue end-of-year file*

**24.20** Under the terms of a data sharing agreement, Revenue provides the Department with details of the Schedule E payroll data, including PRSI related data, in an 'end-of-year' file which is generated annually.<sup>1</sup> This file provides the Department with detailed employment records for taxpayers on an employment-by-employment basis. It includes corresponding payroll and PRSI information for the relevant tax year (see Figure 24.4).

**Figure 24.4 Breakdown of data included in the end-of-year file**

Category	Details
Personal	Employees PPSN, first name, family name, address, date of birth, record type.
Employment	Employment IDs, employer references, employer registration numbers.
Payroll	Gross pay, share-based remuneration, exclusion order <sup>a</sup> , tax year, taxable benefits, medical insurance.
Pension	Retirement annuity contract, additional voluntary contribution, additional superannuation contribution, personal retirement savings account, retirement benefit scheme.
PRSI	PRSI class, PRSI class history, insurable weeks, pay subject to employee PRSI, employee PRSI paid, pay subject to employer PRSI, employer PRSI paid.
Scheme	Temporary Wage Subsidy Scheme (subsidy amount, top up amount) Employment Wage Subsidy Scheme (subsidy amount, PRSI credit).

Source: Revenue Commissioners and the Department of Social Protection

Note: a Certification from Revenue authorising an employer not to deduct Income Tax or Universal Social Charge from the payment of an employee.

**24.21** As part of this examination, Revenue confirmed that a similar report could be provided on a monthly basis to the Department. This would facilitate the Department to carry out more timely analysis of Schedule E PRSI contribution data.

**24.22** However, Revenue stated that more frequent transfers of data may not result in more accurate analysis given the level of valid payroll corrections and adjustments that can occur on a monthly basis. The Department stated that while more timely information would be welcome, it would not fully resolve the underlying issue as the monthly payroll report would not be linked to the cash amounts remitted to the Department.

<sup>1</sup> The end-of-year file is generated towards the end of the first quarter of the following tax year e.g. the initial file for 2024 was generated in the first quarter of 2025. Following this end-of-year file, Revenue also sends a standard weekly file with late corrections to the data in the end-of-year file to the Department.

## Allocation to the National Training Fund

- 24.23** To fund the NTF, a levy (currently a rate of 1%) is applied in respect of the reckonable earnings of employees in certain class A and class H employments (Schedule E), covering approximately 80% of all insured employees.<sup>1</sup> As required by legislation, the levy is paid by employers and collected through the employer PRSI contribution i.e. it is not a deduction from the employees' gross income.
- 24.24** As the levy is incorporated into employer PRSI contribution rates, employers do not separately report NTF levy amounts in their payroll submissions to Revenue. The NTF levy receipts are included in the aggregate PRSI receipts collected by Revenue and remitted to the Department. Legislative amendments would be required in order for employers to report the NTF amount separately.
- 24.25** In the absence of such information, the Department must apportion the NTF levy from employer PRSI receipts returned under reckonable PRSI classes. Therefore, the Department calculates and applies an apportionment percentage each year to estimate the portion of PRSI contribution receipts to be allocated to the NTF.

### Apportionment process

- 24.26** The estimated apportionment rate is based on data from the end-of-year payroll file and internal workings performed by the Department's Statistic Unit and Estimates Unit.
- 24.27** As outlined in Figure 24.1, the Department's process requires several phases in order to transform the data received from Revenue in the end-of-year file into information that can be used to calculate the NTF apportionment rate.
- 24.28** The Statistics Unit compiles information from the end-of-year payroll file (Schedule E) and the latest available self-employment (Schedule D) returns to produce a dataset that apportions PRSI contribution receipts between the PRSI classes (e.g. A, H, S, etc.), compiled into a 'PRSI contributions by class report'. Due to the timing of pay-and-file requirements for Schedule D income, the data for Schedule D income is up to two years old i.e. data from 2021 PRSI contributions was used in calculating the apportionment rate for 2023.<sup>2</sup>
- 24.29** The Estimates Unit uses information from the PRSI contributions by class report to calculate a funding apportionment rate. The apportionment rate is then used by the Department's accounts branch to allocate receipts to the SIF and the NTF. This process involves a number of further steps which are illustrated in Annex 24A.
- 24.30** The examination team found that, as only Schedule E data is relevant to the NTF apportionment, there does not appear to be any reason why the '*PRSI contributions by class report*' for Schedule E cannot be provided on a timelier basis. This would reduce the risk of inaccuracies caused by using outdated data to inform current-year decisions.
- 24.31** For example, if 2023 contribution data was used to apportion the funds in 2024, instead of the 2021 contribution data, it would have resulted in an additional €5.2 million (0.45%) being paid to the NTF in 2024.

<sup>1</sup> The NTF levy does not apply to workers on community employment schemes, classified as PRSI class A8 or A9.

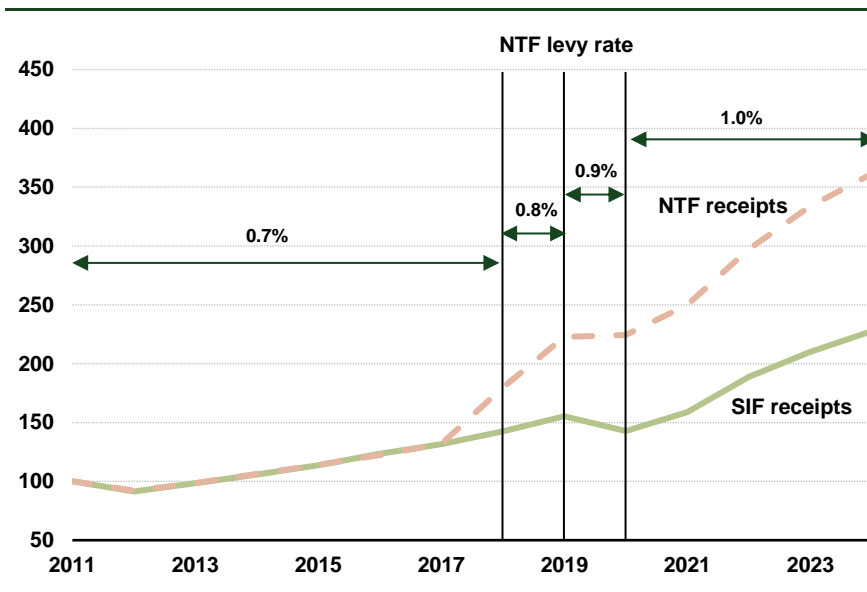
<sup>2</sup> Schedule D requires self-employed individuals to file an annual return and pay tax due by 31 October of the following year.

**24.32** There is potential for errors to be introduced and compounded when estimates are based on data that has been heavily processed. In accordance with best practice, as few steps as possible should be taken to maintain the integrity of the data.

### PRSI receipts and apportionment

**24.33** The Department is responsible for apportioning PRSI receipts between the SIF and the NTF. PRSI receipts in 2024 totalled €18.1 billion, of which nearly €1.16 billion was reapportioned to the NTF. The rate of allocation and the amount apportioned to the NTF is disclosed in the SIF financial statements.<sup>1</sup> Figure 24.5 shows the rate of growth in SIF and NTF receipts since 2011.

**Figure 24.5 SIF and NTF receipts, 2011 to 2024, indexed to 2011<sup>a</sup>**



Source: Department of Social Protection

Note a Indexation provides a reference point (2011:100) to measure growth of the receipts over subsequent periods.

**24.34** Annex 24B provides a summary of the rates and the basis of apportionment since 2011.

<sup>1</sup> As disclosed in the Social Insurance Fund 2024 financial statements, 6.55% of gross Schedule E PRSI contributions were allocated to the NTF in 2024.

<sup>2</sup> The results were communicated to the Department of Finance, who agreed with the application of a revised percentage from 2018 without a need to amend the rate for prior years.

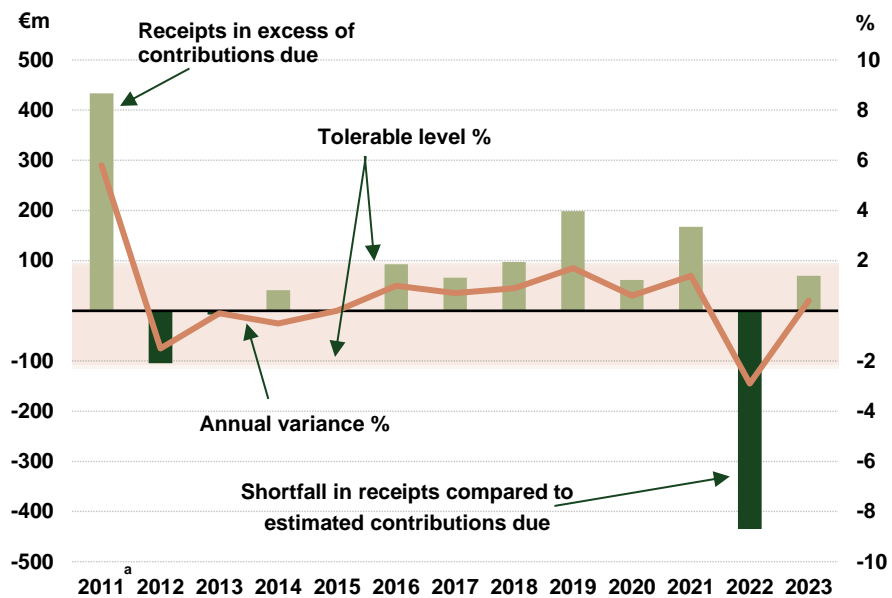
**24.35** Between 2011 and 2017, the Department apportioned PRSI receipts to the NTF at a constant rate of 4.28%. During this period, the apportionment rate was not subject to review. In 2018, the Department undertook a retrospective review of the application of 4.28% for the period 2011 to 2017. The Department’s retrospective analysis of PRSI contributions (using the current methodology) indicates that an apportionment rate of between 4.71% and 4.96% would have been appropriate during that period.<sup>2</sup>

**24.36** In 2018, the Department began to incorporate PRSI contribution data into its apportionment rate calculation. This, coupled with increases in the NTF levy rate, led to a greater portion of PRSI receipts being allocated to the NTF.

**24.37** The Department carries out a reasonableness check comparing the actual monies remitted by Revenue and the estimated annual PRSI contribution balances extracted from the ‘PRSI contributions by class report’.<sup>1</sup> The estimated amounts due are based on payroll data from the end-of-year file. The Department has set the ‘tolerable variance’ level at +/-2%, based on its experience of historical trends in the annual variances.

**24.38** The difference between the actual PRSI amounts received and the estimated amount due has been within the variance tolerance level between 2012 and 2021, with the highest variance being 1.7% in 2019 (see Figure 24.6). In that case, the amount of PRSI receipts into the SIF was 1.7% above the estimated amount due, using the 2019 contribution data.

**Figure 24.6 Difference between actual PRSI receipts remitted and balances as per PRSI contributions by class report, 2011 to 2023**



Source: Department of Social Protection

Note: a When USC was introduced in 2011, some employers reported USC as PRSI resulting in PRSI receipts being in excess of the due contributions.

**24.39** However, when the Department performed the comparison using 2022 PRSI contribution data, the amount of receipts in 2022 fell short of the estimated PRSI contribution analysis report figures by approximately €435 million or 2.9%. The Department queried this with Revenue, and additional information on outstanding PRSI liabilities was provided, but the reason for the variance was not resolved. The Department decided to reuse the apportionment rate calculated based on the 2021 contribution data to apportion the 2024 funds between the NTF and the SIF.

<sup>1</sup> The Department also carries out variance analysis of the proportion of the overall total contributions attributed to each subclass.

## Impact of recent changes on the apportionment model

### *NTF levy rates*

- 24.40** The NTF levy rate was set at a constant 0.7% in the years 2000 to 2017, before rising in a planned way to 0.8% in 2018, 0.9% in 2019 and 1% from 2020 on. However, the method used to apportion funds to the NTF does not take into account the year in which the PRSI liability arose. For example, PRSI receipts received in 2021 related to employment undertaken in 2019 or before would be apportioned using the 2021 rate, rather than the lower 2019 rate.
- 24.41** The Department does not receive data in relation to the timing of Schedule E PRSI receipts, and cannot, therefore, factor this information into its calculation. This may have resulted in an amount greater than the true liability having been paid to the NTF. However, this risk diminished when the levy rate settled at 1% from 2020.

### *Temporary Covid-19 wage subsidy schemes*

- 24.42** The Temporary Wage Subsidy Scheme, and the Employment Wage Subsidy Scheme were introduced during the Covid-19 pandemic. Employers availing of these schemes were eligible to pay a reduced rate of employers' PRSI of 0.5% — a reduction of 10.55% from typical employers' PRSI rate at the time (11.05%). Employers could avail of the reduced rate from March 2020 until May 2022.<sup>1</sup>
- 24.43** Information on the PRSI credit attributed to each employer availing of the Employment Wage Subsidy Scheme was returned as part of the end-of-year file submitted to the Department by Revenue. However, this information was not included in the Department's estimation of funds apportioned to the NTF.<sup>2</sup> The 1% NTF levy was applied to total reckonable earnings in class A and class H, regardless of the fact that employers on the reduced rate had paid only 0.5% in total employers PRSI. It is therefore likely that an amount in excess of the true liability was paid from the SIF to the NTF in respect of employers who availed of the Employment Wage Subsidy Scheme.

<sup>1</sup> The Temporary Wage Subsidy Scheme was in place from March 2020 until August 2020.

Employees who were in receipt of the Temporary Wage Subsidy scheme were recorded as PRSI class J9 for this period. When the Employment Wage Subsidy Scheme replaced the temporary scheme on 1 September 2020, employees reverted to their usual PRSI class.

<sup>2</sup> The Department did not provide any relevant analysis undertaken on the impact of the wage subsidy schemes on PRSI receipts and the amounts apportioned to the NTF.

<sup>3</sup> Debt warehousing formed part of the Government response to Covid-19, announced by the Minister for Finance and Public Expenditure and Reform in May 2020.

- 24.44** Due to a lack of sufficient detailed information, the examination team was unable to quantify the potential over allocation to the NTF arising from this issue. However, Revenue has previously estimated that the total PRSI forgone as a result of the 10.55% reduction of the employer's PRSI rate applicable in these schemes, amounted to just over €1 billion. This would indicate that around €47 million in employer PRSI receipts was paid at the reduced 0.5% rate.

### *Warehoused debt*

- 24.45** During the Covid-19 pandemic, the introduction of the Debt Warehousing Scheme permitted businesses to defer certain tax payments and PRSI liabilities.<sup>3</sup> Instead of requiring immediate payment, these liabilities were set aside or 'warehoused' to be paid back at a later date. Warehoused debt amounted to €3.2 billion at its peak in January 2022. Taxpayers were required to engage with Revenue by 1 May 2024 to agree debt repayment schedules. Revenue reported that at end-2024, warehoused debt amounting to €2 billion had been settled in full and an additional €1 billion was secured under phased payment arrangements.

- 24.46** The Department, as informed by Revenue, reported that at year-end 2023, warehoused debt relating to PRSI receipts amounted to €267 million. Revenue records indicate that €98 million was repaid in 2024. Revenue stated that the additional reduction of €34 million in PRSI warehoused debt was due to numerous factors such as amended returns filed by taxpayers, assessments raised by Revenue and debt warehouse revocations and terminations. The balance outstanding at end 2024 was €135 million.<sup>1</sup>
- 24.47** Information on PRSI warehoused debt and repayments is reported by Revenue to the Department at a specific point in time (usually year-end). Repayments of PRSI warehoused debt are included in the PRSI receipts remitted by Revenue to the Department throughout the year. The Department does not have sufficient information to identify repayments of PRSI warehoused debt when received, or the period or PRSI class that the repayment relates to.
- 24.48** It is possible that 'warehoused' PRSI liabilities influenced the recent variances between the amounts paid over by Revenue and the contribution analysis figures estimated by the Department. However, in the absence of further analysis, it is difficult to estimate the impact that this may have on the allocation of funds to the NTF.

## Contractual agreements

### *Reimbursement of Revenue expenses*

- 24.49** Revenue collects PRSI receipts on behalf of the Department in accordance with a memorandum of understanding between the two bodies. Section 261 of the Social Welfare Consolidation Act 2005 provides for information held by Revenue relating to reckonable earnings and PRSI receipts to be transferred to the Department.
- 24.50** The memorandum of understanding between the Department and Revenue was signed in 2017, prior to the introduction of the modernised PAYE system.
- 24.51** A formal data sharing agreement is also in place between the Department and Revenue to govern the sharing of personal data between the bodies in relation to the effective management, administration and/or operation of the tax and social welfare systems, and certain other statutory functions. The most recent data sharing agreement is from 2024. It sets out the category and frequency of transfer of PRSI information from Revenue to the Department.
- 24.52** The Department pays an annual fee of €37.4 million to Revenue for the collection of PRSI receipts. The fee was agreed as part of the annual estimates process and has remained unchanged since 2009. At that time, the fee level was based on the estimated cost to Revenue associated with collecting PRSI receipts on behalf of the Department. Documentation outlining the basis for the charge and how it was calculated was provided to the Department and the examination team.
- 24.53** Revenue has stated that the current fee is outdated, and a more appropriate fee structure is currently under consideration in consultation with the Department.

<sup>1</sup> As at March 2025, Revenue confirmed that €1.074 billion in income-related tax debt was due for collection for all periods up to the end of 2024. PRSI receipts accounted for €246 million (23%) of the total debt, of which €180 million was actively under collection through a phased payment arrangement or by enforcement.

### ***Governance of NTF transfers***

**24.54** Each month, the Department pays an amount to the NTF, calculated in accordance with the annual NTF apportionment rate (as outlined above). The Department provides the Department of Further and Higher Education, Research, Innovation and Science with the percentage apportionment rate and monthly NTF levy amounts paid over. However, the Department does not provide information to support the basis of the calculation. There is no formal agreement between the Departments governing the transfers.

### **Conclusions and recommendations**

**24.55** The majority of PRSI receipts are collected by Revenue on behalf of the Department. The amount collected is paid over to the Department on a monthly basis for Schedule D receipts and daily for Schedule E receipts. The Schedule E receipts include NTF levy receipts collected through employers' PRSI contributions in respect of reckonable earnings in certain PRSI subclasses (A and H).

**24.56** When the Schedule E PRSI cash amount is paid, there is no underlying payroll data or supporting information provided to the Department. Therefore, the Department is unable to determine how much of the amount received relates to employee, employer and self-employed PRSI contributions, or to the relevant PRSI classes.

**24.57** With payroll modernisation and the availability of real-time payroll reporting in place since 2019, more reliable and timely information is being submitted by employers to Revenue. However, in accordance with legislation, NTF receipts are not reported separately and are collected through the tax system along with employer PRSI contributions. The Department is reliant on PRSI subclass information to disaggregate the NTF levy from PRSI receipts.

**24.58** Revenue does provide retrospective Schedule E payroll data to the Department in the form of an end-of-year file. Although the information in the end-of-year file cannot be reconciled to PRSI cash receipts, the Department uses the information the file contains to allocate PRSI receipts to PRSI classes and subclasses, and in turn to apportion funds between the SIF and the NTF.

**24.59** In the past, the NTF allocation rate applied in a year has been estimated by the Department in accordance with the data available to it, including Schedule D income data up to two years in arrears. As a result, the Department incurs significant time and effort in modelling information on PRSI contribution classes, to arrive at an estimate of reckonable earnings per PRSI class, despite this kind of information having been reported by employers to Revenue through payroll submissions.

**Recommendation 24.1**

The Department and Revenue should review the way in which available PRSI payroll related data is captured and processed to establish if more timely and detailed information supporting Schedule E PRSI receipts can be provided to the Department.

The aim of the review should be to reduce the Department's reliance on estimates and modelling for the allocation of funds between the SIF and NTF.

**Accounting Officer response (Department of Social Protection)**

Agreed.

The Department and Revenue already co-ordinate and agree matters related to the collection of PRSI via a joint High-Level Group. The Department will utilise this mechanism to explore with Revenue if further improvements can be made in a cost-effective manner. However, we note that changes to the current approach are likely to require legislative change as well as IT systems and process development. Any decision to progress this would have to take account of the costs involved as compared to the potential benefits.

**Timeline for implementation**

This issue will be raised at the next High Level Group meeting (October 2025), with the approach and timelines to be considered thereafter.

**Accounting Officer Response (Office of the Revenue Commissioners)**

Agreed.

Leveraging the longstanding, and ongoing, engagement between Revenue and the Department across a range of fora, including the High-Level Group, Revenue will review the way in which available PRSI payroll related data is captured and subsequently shared with the Department. However, it should be noted that the type of payroll data that employers are required to report to Revenue is set down in legislation. Any requirement for additional data to be submitted through payroll, including reporting NTF amounts separately, would require policy decisions that facilitate legislative change, as well as parallel IT developments.

In terms of timeliness of exchange of data with the Department, payroll data, including PRSI level data, is currently available to the Department via a 'real-time' look up facility and is shared in bulk via an end of year file transfer in line with the current jointly agreed (2024) data sharing agreement. The timing of the bulk sharing of data considers key factors such as payroll amendments and is shared at a point in time when it is considered that the data set is most stable. Revenue will engage with the Department in relation to this process with a view to discussing possible changes which would better assist the Department.

**Timeline for Implementation**

Initial discussion to take place at the next High-Level Group meeting (October 2025), with next steps taken from there.

- 24.60** Recent temporary changes to the PRSI system, resulting from debt warehousing and the impact of Covid-19 related schemes, have not been factored into the estimation of funds allocated to the NTF. Furthermore, the variance of €435 million identified by the Department, when comparing PRSI contribution receipts in 2022 to the PRSI contributions expected from payroll data, was not reconciled. These matters may be connected.
- 24.61** A 1% NTF levy is payable by employers in relation to employees in certain class A and H employments. However, due to the absence of underlying payroll data for PRSI receipts, the amounts that are apportioned to the NTF cannot be verified back to the amounts of NTF levies collected from employers as part of their PRSI contributions.
- 24.62** Management and control of the NTF is the responsibility of the Department of Further and Higher Education, Research, Innovation and Science. That Department consequently has an obligation to satisfy itself that the receipts into the NTF are complete and in line with the legislative provisions.

#### **Recommendation 24.2**

The Department should review the process by which PRSI contributions are apportioned to the SIF and the NTF.

For example, consideration should be given to basing the NTF apportionment on Schedule E PRSI contributions only, for which data is available on a timelier basis.

The methodology used by the Department to determine the amounts of the transfers to the NTF should be agreed with the Department of Further and Higher Education, Research, Innovation and Science.

#### **Accounting Officer Response (Department of Social Protection)**

Agreed.

The Department agrees that, ideally, transfer of the NTF levy receipts should be based on actual rather than estimated amounts and in addition would be made directly from Revenue to the NTF. However, this is a matter that, we understand, would require legislative change within the NTF Act which falls under the remit of the Department of Further and Higher Education, Research, Innovation and Science. Pending legislative change, there are also potentially significant system and process development involving payroll operators and employers, the costs of which would need to be considered as compared to the potential benefits. In this context the Department's view is the existing practise of using informed estimates based on available data is a reasonable and pragmatic approach to the allocation of receipts.

Nevertheless, noting the views of the Comptroller and Auditor General, the Department will raise the potential of improving the process via the High-Level Group.

The Department will also engage with the Department of Further and Higher Education, Research, Innovation and Science on the existing methodology used to estimate the amount transferred to the NTF.

### **Timeline for Implementation**

The issue will be raised at the next High-Level Group meeting with Revenue (October 2025) and also with the Department of Further and Higher Education, Research, Innovation and Science during Q4 2025 with a view to completing a review during 2026.

- 24.63** The scope and frequency of transfer of PRSI data is set out in a data sharing agreement between the Department and Revenue, which was revised in 2024.
- 24.64** The agreement between the Department and Revenue in relation to the collection and transfer of PRSI contributions is set out in a memorandum of understanding, signed in 2017. The agreement has not been revised since the modernisation of the payroll system in 2019. While the agreement does not set out the basis for the annual service charge of €37.4 million, documentation outlining the basis for the charge and how it was calculated was provided to the Department and the examination team.
- 24.65** Revenue wrote to the Department in July 2025 outlining that the annual service charge will be reviewed in due course.

### **Recommendation 24.3**

The Department and Revenue should update the memorandum of understanding to take account of the improved data available from the move to real-time submission of payroll data from employers.

The memorandum of understanding should also specify the basis for recoupment of Revenue's expenses of administration of the collection of PRSI.

#### **Accounting Officer Response (Department of Social Protection)**

Agreed.

The Department is engaging with Revenue to review and update the existing memorandum of understanding to ensure it reflects operational practices and includes the basis for the calculation of an agreed recoupment of Revenue's expenses of administration for the collection of PRSI commensurate with the required service provision levels.

#### **Timeline for implementation**

Q2 2026.

#### **Accounting Officer Response (Office of the Revenue Commissioners)**

Agreed.

The current MOU provides for the sharing of information between Revenue and the Department at a high level, specifying that such exchanges shall be governed by a Data Sharing Agreement (DSA). The DSA, agreed in 2024, reflects the data available from payroll submission made by employers since the introduction of PAYE Modernisation.

Revenue will engage in an overall review of the current MOU, in collaboration with the Department, to ensure it continues to be fit for purpose. In consultation with the Department, the level of expenses which Revenue seeks to recoup in respect of the collection of PRSI is currently under review. As MOU's generally tend to be set out at a high level, Revenue will seek to reference the basis for recoupment of such expenses, once agreed, in any revised MOU. Additionally, the basis of the recoupment costs sought will be formally documented in more detail, retained by Revenue and shared with the Department.

**Timeline for implementation**

By end of Q2 2026.

### Annex 24A National Training Fund apportionment rate calculation — illustrative example

<b>Step 1</b>		(A) Total PRSI collected	(B) Total employee PRSI	(C) Total employer PRSI
(A-B=C)		€000	€000	€000
Total employers PRSI per subclass is estimated based on the total PRSI collected and employee PRSI total generated from statistics unit contribution analysis report	A0	788,000	125,000	663,000
	AX	350,000	81,000	269,000
	AL	100,000	26,000	74,000
	A1	14,500,000	4,000,000	10,500,000
	H0	500	135	365
	HX	200	50	150
	H1	42,000	12,000	30,000
<b>Step 2</b>		(C) Total employer PRSI	(D) Employer PRSI rate %	(E) Estimated reckonable earnings
(E = C/D)		€000	rate %	€000
Estimate reckonable earnings for each subclass, based on total ER PRSI and standard rate of ER PRSI	A0	663,000	8.90	7,449,438
	AX	269,000	8.90	3,022,472
	AL	74,000	8.90	831,461
	A1	10,500,000	11.15	94,170,404
	H0	365	10.55	3,460
	HX	150	10.55	1,422
	H1	30,000	10.55	284,360
<b>Step 3</b>		(E) Estimated reckonable earnings	(F) NTF levy %	(G) NTF levy on reckonable earnings
(G = E*F)		€000	%	€000
The NTF levy rate of 1% is then applied to the estimated reckonable earnings in the relevant classes.	A0	7,449,438	1.0	74,494
	AX	3,022,472	1.0	30,225
	AL	831,461	1.0	8,315
	A1	94,170,4504	1.0	941,704
	H0	3,460	1.0	35
	HX	1,422	1.0	14
	H1	284,360	1.0	2,844
<b>Step 4</b>		(G) Total NTF due based on estimated reckonable earnings		1,057,631
(Apportionment rate = G/H)		(H) Total PRSI contributions (all classes)		16,500,000
The apportionment rate is calculated by dividing the estimated NTF levy due by the total PRSI contributions.		Apportionment rate		6.41%

Source: Department of Social Protection. Analysis performed by the Office of the Comptroller and Auditor General.

### Annex 24B Summary of the NTF levy and apportionment rates, 2011 to 2024<sup>a</sup>

Year	NTF levy rate	Basis of apportionment	Apportionment rate
2011 to 2017	0.7%	Agreed rate from 2011 review	4.28%
2018	0.8%	End-of-year 2016 data and adjustment to reflect NTF levy increase	5.35%
2019	0.9%	End-of-year 2017 data and adjustment to reflect NTF levy increase	5.98%
2020	1.0%	Based on receipts (Dec 2019 receipts @ 0.9%) and (Feb to Dec 2020, @ 1.0%)	6.58%
2021	1.0%	Carried forward from prior year	6.58%
2022	1.0%	End-of-year data 2020	6.50%
2023	1.0%	End-of-year data 2021	6.55%
2024	1.0%	Carried forward from prior year	6.55%

Source: Department of Social Protection

Note: a The NTF levy was established in 2000. The NTF levy rate from 2000 to 2017 was 0.7%.

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## **Other matters**

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## 25 Accounts of the National Treasury Management Agency

- 25.1** Section 12 of the National Treasury Management Agency Act 1990 (as amended) (the 1990 Act) requires the National Treasury Management Agency (the NTMA) to keep accounts of all moneys it receives or expends in the form approved by the Minister for Finance (the Minister), and to submit the accounts annually for audit by the Comptroller and Auditor General.
- 25.2** Following completion of the audit, the NTMA must submit the accounts and the related audit reports of the Comptroller and Auditor General to the Minister, who in turn must present them to the Houses of the Oireachtas.
- 25.3** In addition, section 12 of the 1990 Act requires the Comptroller and Auditor General to report to Dáil Éireann with respect to the correctness of the sums brought to account by the NTMA each year. This is the report for 2024.

### Accounts of the NTMA 2024

- 25.4** The accounts audited under section 12 of the 1990 Act are

- National Debt of Ireland
- NTMA administration account
- Post Office Savings Bank Fund
- State Claims Agency
- Ireland Strategic Investment Fund
- Ireland Apple escrow fund<sup>1</sup>
- National Surplus (Exceptional Contingencies) Reserve Fund<sup>2</sup>
- Future Ireland Fund<sup>3</sup>
- Infrastructure, Climate and Nature Fund.<sup>3</sup>

- 25.5** Separately, the NTMA prepares the financial statements of the Dormant Accounts Fund (under the Dormant Accounts Act 2001) and of the Carbon Fund (under the Carbon Fund Act 2007). These are published by the NTMA together with the other (section 12) accounts it publishes.

- 25.6** My reports on the audits of the 2024 accounts were issued on 30 April 2025.

<sup>1</sup> See also *Report on the Accounts of the Public Services 2024*, chapter 26, Winding up of the Ireland Apple escrow fund.

<sup>2</sup> On 8 November 2024, the Minister for Finance ordered the dissolution of the National Surplus (Exceptional Contingencies) Reserve Fund pursuant to section 35(3) of the Future Ireland Fund and Infrastructure, Climate and Nature Fund Act 2024. The financial statements for year ended 31 December 2024 were audited under the provisions of section 35(5) of this act.

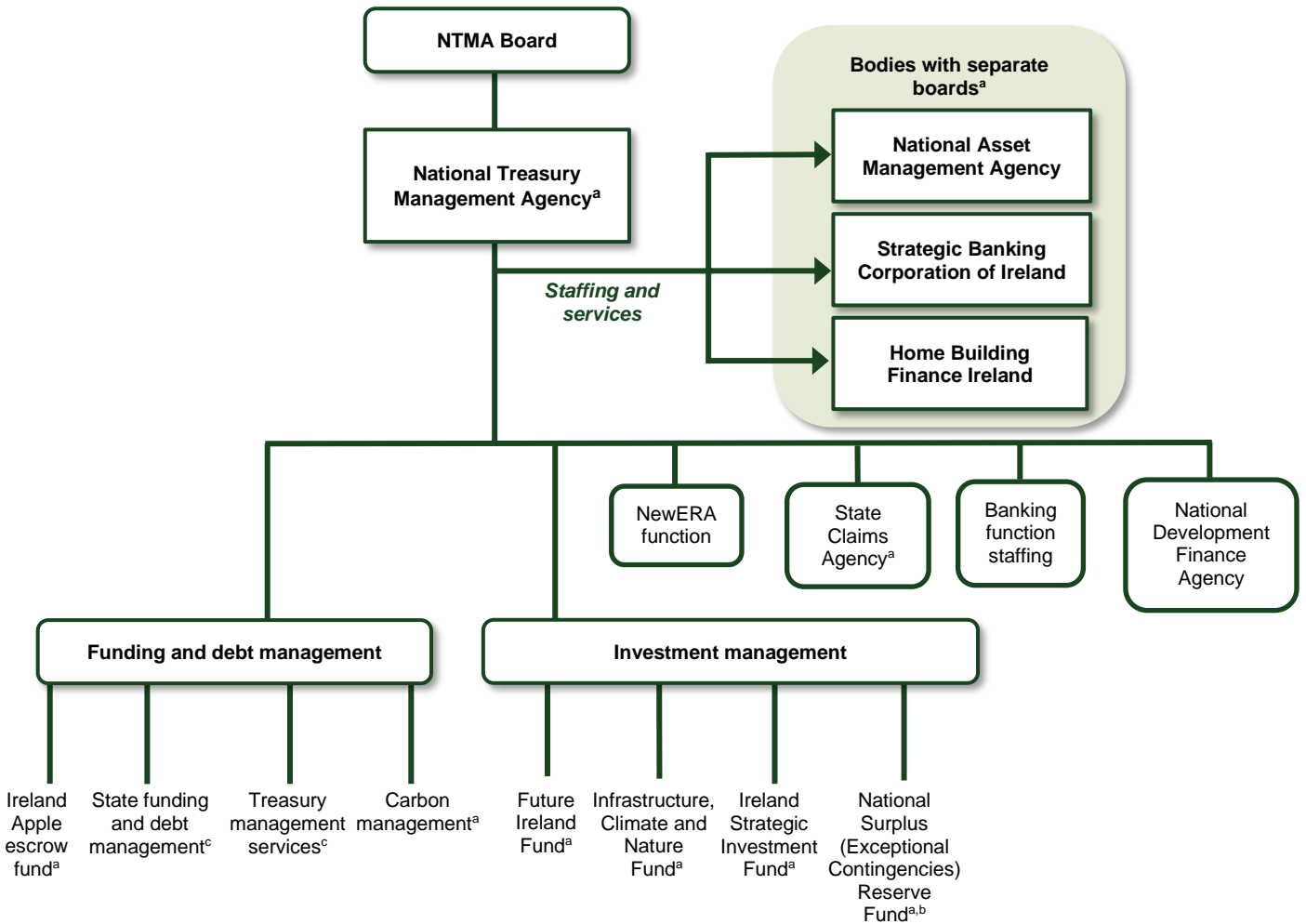
<sup>3</sup> The Future Ireland Fund and the Infrastructure, Climate and Nature Fund are generally collectively referred to by the NTMA as the 'Future Ireland Funds'. They are formally accounted for separately.

### Structure, costs and staffing of the agency

**25.7** Since the NTMA was set up in 1990, it has evolved into a complex organisation with multiple functions that extend beyond its original and core role in managing Ireland’s national debt (see Figure 25.1).

**25.8** At the end of 2024, NTMA staff numbers totalled 830 on a whole-time equivalent basis across the various functions and activities (see Figure 25.3).

**Figure 25.1 Functions of the National Treasury Management Agency**



Source: National Treasury Management Agency

- Notes:
- a Separate financial statements are prepared for the activities of each of these functions/entities.
  - b On 8 November 2024, the Minister for Finance ordered the dissolution of the National Surplus (Exceptional Contingencies) Reserve Fund pursuant to section 35(3) of the Future Ireland Fund and Infrastructure, Climate and Nature Fund Act 2024.
  - c In the functional areas of State funding and debt management and treasury management services, separate financial statements are prepared for the Dormant Accounts Fund, the Post Office Savings Bank Fund and the National Debt of Ireland.

**Figure 25.2 Cost of operations, by business area, 2021 to 2024**

	2021	2022	2023	2024
<b>NTMA business units</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>	<b>€m</b>
Funding and debt management	12.4	13.4	13.5	14.3
Ireland Strategic Investment Fund	17.2	18.4	22.5	24.8
Future Ireland Funds <sup>a</sup>	—	—	—	2.0
State Claims Agency	29.2	31.7	32.6	34.9
NewERA	6.1	6.8	7.5	8.2
Banking Unit (Department of Finance)	2.2	4.4	2.9	2.8
National Development Finance Agency	11.6	12.7	13.3	14.9
<b>Supported bodies</b>				
National Asset Management Agency	30.2	26.2	23.9	33.9
Strategic Banking Corporation of Ireland	6.5	7.8	8.9	9.5
Home Building Finance Ireland	6.0	6.2	7.3	7.7
<b>Total payments</b>	<b>121.4</b>	<b>127.5</b>	<b>132.4</b>	<b>153.0</b>

Source: National Treasury Management Agency. Any apparent differences in totals are due to rounding.

Note: a Initial expenditure of the funds prior to their establishment on 30 July 2024 was borne by the NTMA (€761,000). All expenditure following their establishment is reimbursable to the NTMA from the funds (€1.216 million).

**Figure 25.3 NTMA staffing distribution at year-end, 2021 to 2024<sup>a</sup>**

	2021	2022	2023	2024
<b>NTMA business units</b>				
Funding and debt management	23	24	24	26
Ireland Strategic Investment Fund	59	66	80	85
Future Ireland Funds	—	—	—	2
State Claims Agency	170	170	170	179
NewERA	29	29	31	35
Banking Unit (Department of Finance)	8	11	12	13
National Development Finance Agency	67	66	71	77
<b>NTMA corporate functions</b>				
Finance, technology and operations	143	145	155	168
Legal, compliance, HR and internal audit	55	59	63	60
Risk	20	23	22	21
Other	1	2	1	1
<b>Supported bodies</b>				
National Asset Management Agency	145	110	92	81
Strategic Banking Corporation of Ireland	32	38	44	47
Home Building Finance Ireland	31	31	36	35
<b>Total</b>	<b>783</b>	<b>773</b>	<b>801</b>	<b>830</b>

Source: National Treasury Management Agency. Any apparent differences in totals are due to rounding.

Note: a Numbers are based on whole-time equivalents.

## Performance-related pay

- 25.9** Provision for a discretionary performance-related payment is included in the majority of NTMA employee contracts. The Remuneration Committee of the NTMA is responsible for approval of the overall amount of performance-related pay in a year, and for the approval of individual proposed awards to members of the NTMA's executive management team (EMT). Performance-related payment awards to employees below EMT level are approved by the Chief Executive following review by a subcommittee of the EMT.
- 25.10** The EMT comprises the Chief Executive, the Chief Financial and Operating Officer, the Director of the State Claims Agency, the Chief People Officer, the Chief Legal Officer, the Director of the Ireland Strategic Investment Fund (ISIF), the Director of Funding and Debt Management, the Director of the National Development Finance Agency and NewERA, the Director of the Future Ireland Funds, and the Head of Banking (who is seconded to the Department of Finance).
- 25.11** Performance-related payments of €2.6 million (2023: €2.2 million) were made to 271 employees for 2024 (2023: 262), of which €186,000 was paid to seven members of the EMT (2023: €166,000 to six EMT members). The Chief Executive of the NTMA did not receive a performance-related payment in respect of 2024 or 2023.

## Supported agencies

- 25.12** In addition to its own operations, the NTMA assigns staff to the National Asset Management Agency (NAMA), the Strategic Banking Corporation of Ireland (SBCI) and Home Building Finance Ireland (HBFI) and provides them with business and support services and systems on a cost-recoupment basis. Each of the supported entities has its own board and is separately accountable to Dáil Éireann.
- 25.13** Performance-related payments of €635,000 were awarded to NTMA staff members assigned to other agencies for 2024, as follows
- NAMA €306,000 (2023: €328,000)
  - SBCI €192,000 (2023: €151,000)
  - HBFI €137,000 (2023: €123,000).
- 25.14** The cost of NAMA operations in 2024 totalled €33.9 million (2023: €23.9 million). This included €12.4 million in relation to termination benefits (including a voluntary redundancy scheme, gardening leave, and PRSI and pension contributions). In July 2024, the Government approved the drafting of legislation providing for the dissolution of NAMA and the transfer of any residual assets of NAMA to a Resolution Unit within the NTMA. NAMA is currently taking commercial and operational steps to ensure the orderly dissolution by the end of 2025.

### **Banking system functions staffing**

- 25.15** NTMA staff involved in the provision of banking system functions have been seconded to the Shareholding and Financial Advisory Division in the Department of Finance since August 2011. At the direction of the Minister, the related staff and professional advisor costs are met by the NTMA.
- 25.16** Costs incurred by the NTMA in 2024 in relation to the Shareholding and Financial Advisory Division totalled €2.8 million (2023: €2.9 million). Professional advisor costs of €0.7 million (2023: €0.9 million) were recovered in 2024 from the relevant financial institutions.

### **Key NTMA operations in 2024**

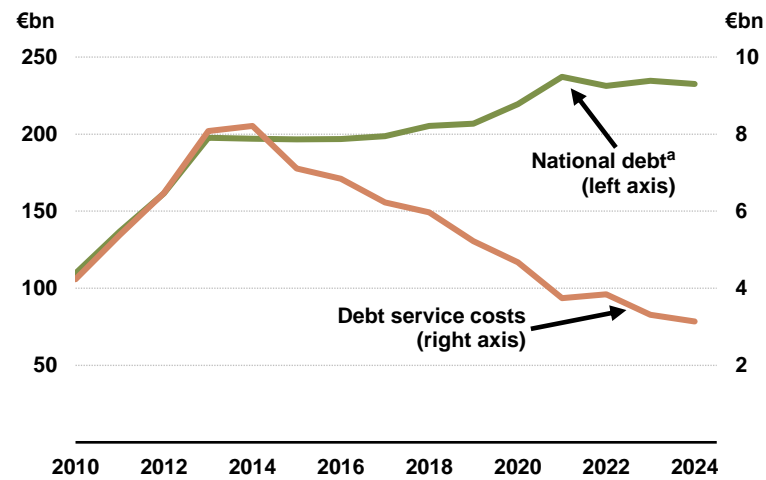
- 25.17** Key developments in the NTMA's operations in 2024 include
- the transfer by the end of 2024 of cash and assets to the value of €10.9 billion from the Apple escrow account to the Exchequer
  - an additional €325 million transferred from the ISIF to the Land Development Agency (LDA)<sup>1</sup>
  - a further reduction in the State's shareholding in AIB Group plc
  - the dissolution of the National Surplus (Exceptional Contingencies) Reserve Fund and the establishment and funding of the Future Ireland Fund and the Infrastructure, Climate and Nature Fund
  - a continuation of the upward trend in the estimated contingent liability of the claims being managed by the State Claims Agency.

### **National debt management**

- 25.18** The NTMA's primary function is to borrow on behalf of the Minister and to manage Ireland's national debt, defined as the debt outstanding for the time being of the Exchequer.
- 25.19** At 31 December 2024, the national debt stood at €232,616 million, down marginally from €234,537 million at the end of 2023 (Figure 25.4) — a decrease of €1,921 million (or 0.8%).<sup>2</sup>

<sup>1</sup> See also *Report on the Accounts of the Public Services 2024*, chapter 1, Exchequer financial outturn for 2024.

<sup>2</sup> Net national debt (gross national debt less cash and other financial assets) was €193,049 million at 31 December 2024 (2023: €205,626 million).

**Figure 25.4 National debt and debt service costs, 2010 to 2024**

Source: National Treasury Management Agency

Note: a National debt is a gross measure before deduction of cash and other financial assets.

**25.20** The NTMA also engages in lending operations, including of Exchequer cash balances. In 2024, this included

- a €10.2 billion increase in short-term investment in treasury bills from €4.7 billion at end-2023 to €14.9 billion at end-2024 mainly due to the receipt by the Exchequer of €10.9 billion arising from the unwinding of the Apple escrow fund<sup>1</sup>
- an increase of €1.2 billion in Housing Finance Agency-guaranteed notes from €4.1 billion at end-2023 to €5.3 billion at end-2024.

### **Debt service costs**

**25.21** Debt service costs in 2024 were €3,137 million (the net result of interest paid on the national debt, interest earned on Exchequer financial assets, transaction fees and operating expenses). This was down from €3,309 million in 2023. The net decrease of €172 million (or about 5%) was mainly due to an increase of €140 million in interest paid on the national debt being offset by an increase of €317 million in interest income received on cash balances and other financial assets in 2024.

### **Short-term paper**

**25.22** Central government bodies and funds and local authorities routinely purchase 'short-term paper' (Exchequer notes or central treasury notes) from the NTMA as a means of managing cash balances on hand that are not immediately required. This constitutes a significant part of the NTMA's short-term borrowing.

**25.23** Short-term paper held at the end of 2024 totalled €19.4 billion (up from €17.4 billion at end-2023) (see Figure 25.5). This comprised Exchequer notes to the value of €17.8 billion and central treasury notes to the value of €1.6 billion. The majority of the notes (€19.3 billion, or 99%) were issued to public bodies and funds, including €5.1 billion in funds managed by the NTMA itself.

<sup>1</sup> See also *Report on the Accounts of the Public Services 2024*, chapter 26, Winding up of the Ireland Apple escrow fund.

**Figure 25.5 Composition of short-term paper issued to public bodies at year-end, 2020 to 2024**

	2020	2021	2022	2023	2024
	€m	€m	€m	€m	€m
Central government bodies and funds	3,534	3,861	5,633	9,144	12,998
NTMA-managed funds	1,019	305	2,208	6,346	5,097
Local authorities	—	—	1,359	1,290	799
Other public sector bodies	556	376	523	450	413
<b>Total issued to public bodies</b>	<b>5,109</b>	<b>4,542</b>	<b>9,724</b>	<b>17,230</b>	<b>19,307</b>
Issued to non-public bodies	8,918	5,224	186	128	128
<b>Total short-term paper</b>	<b>14,027</b>	<b>9,766</b>	<b>9,910</b>	<b>17,358</b>	<b>19,435</b>
Percentage of total short-term paper issued to public bodies	36%	47%	98%	99%	99%

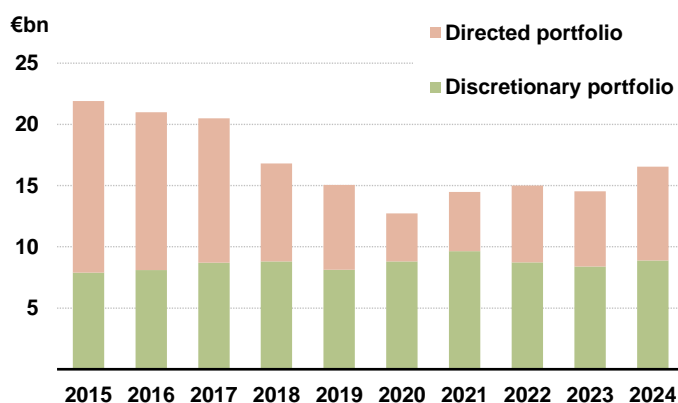
Source: National Treasury Management Agency. Any apparent differences in totals are due to rounding.

## Ireland Strategic Investment Fund

**25.24** The ISIF is a sovereign development fund under the management of the NTMA.<sup>1</sup> The assets of the ISIF are held in two portfolios.

- The **directed investment portfolio** is subject to directions given by the Minister.<sup>2</sup>
- The **discretionary investment portfolio** consists of investments made in accordance with the relevant sections of the 2014 Act, where the NTMA holds or invests ISIF assets (other than directed investments) on a commercial basis in a manner designed to support economic activity and employment in Ireland.

**25.25** As illustrated in Figure 25.6, the net assets held by the ISIF have fallen over a ten-year period by around 24% from €21.9 billion in 2015 to around €16.6 billion at the end of 2024.

**Figure 25.6 Value of ISIF net assets, 2015 to 2024**

Source: Financial Statements of the Ireland Strategic Investment Fund, 2015 to 2024

<sup>1</sup> The ISIF was established in December 2014, pursuant to the National Treasury Management Agency (Amendment) Act 2014 (2014 Act).

<sup>2</sup> Section 43 of the 2014 Act provides that the Minister may give direction to the NTMA in relation to the holding and management of a directed investment, the exercise of any voting rights attaching to a directed investment, or the disposal of a directed investment.

### *Directed investment portfolio*

- 25.26** The assets received by the ISIF in December 2014 from its predecessor, the National Pensions Reserve Fund, included a portfolio mainly comprising substantial shareholdings in a number of trading banks that were recapitalised as part of the banking crisis stabilisation programme. This became the ISIF's directed investment portfolio and is subject to directions of the Minister.
- 25.27** Since 2015, the net asset value held in the directed portfolio has decreased by 45% — from €14 billion at end-2015 to €7.7 billion at end-2024. The decrease over that period was due primarily to the transfer to the Exchequer of receipts from the sale of shares in AIB Group plc (AIB) and Bank of Ireland Group plc (BOI).

### *AIB Group plc divestment*

- 25.28** The NTMA continued to dispose of the ISIF's AIB shares in 2024, disposing of a total of 630 million shares, and generating net proceeds of just over €3.1 billion.<sup>1</sup> The market value at the end of 2024 of the remaining shareholding in the AIB group — €2.3 billion — accounted for a further 30% of the portfolio value at end-2024. The remaining shareholding (438 million shares) was disposed of in 2025 generating net proceeds of almost €2.7 billion.
- 25.29** Most of the proceeds of the AIB share disposals in 2023 and 2024 were retained in the ISIF directed portfolio. At the end of 2024, just over €5 billion (65%) of the overall €7.7 billion value of the portfolio was held as cash. This was up from cash of €1.7 billion held at the end of 2023, representing 28% of the value of the portfolio at that date. In April 2025, the NTMA was directed to transfer €514 million from the directed portfolio to the Exchequer.
- 25.30** Cash within the directed portfolio was primarily invested during the period in Exchequer notes issued by the NTMA, with the remaining balance held on deposit at the Central Bank, in accordance with directions from the Minister. The directed portfolio return in 2024 was around 24%.

### *Funding of the Land Development Agency DAC*

- 25.31** In the period 2022 to 2024, at the direction of the Minister for Finance, the NTMA transferred €1.25 billion from the ISIF to the LDA.<sup>2</sup> €325 million was transferred during 2024 (2023: €825 million; 2022 €100 million).
- 25.32** Notwithstanding the cash balances in the directed portfolio, funds were transferred from the discretionary portfolio of the ISIF to the directed portfolio to fund the transfers to the LDA.

### *Funding of Home Building Finance Ireland*

- 25.33** On 8 April 2019, the Minister for Finance directed the NTMA to execute a loan facility agreement with HBF (Lending) DAC, and to make available a loan facility of up to €730 million from ISIF to the company. The loan balance outstanding at the end of December 2024 was €305 million (2023: €325 million).

<sup>1</sup> This reduced the State's shareholding in AIB from 40.8% at 31 December 2023 to 18.8% at the year-end 2024.

<sup>2</sup> See also *Report on the Accounts of the Public Services 2024*, chapter 1, Exchequer financial outturn for 2024.

*ISIF loss due to lapse in internal controls*

- 25.34** In July 2025, the NTMA received a fraudulent request for payment of €5 million from a third party designed and timed to pass as a legitimate request for funds from an existing ISIF investee company. Controls intended to prevent such fraudulent requests did not prevent the payment being made by the NTMA.
- 25.35** The NTMA reported the fraud to the relevant authorities including An Garda Síochána and is seeking to recover the funds. The NTMA has stated that there is no indication there had been a breach of its ICT systems or any threat to its IT systems.

**Future Ireland Funds**

- 25.36** Two new statutory investment funds, to be managed by the NTMA, were established on 30 July 2024 under the provisions of the Future Ireland Fund and Infrastructure, Climate and Nature Fund Act 2024 (the Act).
- The **Future Ireland Fund** was established to support State expenditure from 2041 onwards in a consistent and sustainable manner.
  - The **Infrastructure, Climate and Nature Fund** was established to be available to support State expenditure in periods of significant deterioration in the economic or fiscal position of the State (from 2026 on), and on certain designated environmental projects between 2026 to 2030.
- 25.37** The funds are referred to collectively by the NTMA as the ‘Future Ireland Funds’.
- 25.38** The Act provided for the transfer of the resources held in the National Surplus (Exceptional Contingencies) Fund to the Future Ireland Funds. In September 2024, a total of €6.3 billion was transferred from the National Surplus Reserve Fund to the new funds — €4.3 billion to the Future Ireland Fund and €2 billion to the Infrastructure, Climate and Nature Fund. Following the completion of the transfers, the National Surplus Reserve Fund was dissolved on 8 November 2024 (as provided for in the Act).
- 25.39** The Act also provides for substantial annual transfers from the Exchequer into the funds.
- For each year from 2024 to 2035, the Act requires the payment into the Future Ireland Fund of a statutory Exchequer contribution that is equivalent to 0.8% of Ireland’s estimated GDP for the year two years prior (referred to as the ‘relevant GDP’ for the contribution year).<sup>1</sup> On 24 October 2024, €4.05 billion was transferred to the Fund i.e. equivalent to 0.8% of the estimated GDP for 2022.
  - For each year from 2025 to 2030, the Act provides for payments from the Exchequer of €2 billion a year into the Infrastructure, Climate and Nature Fund.<sup>2</sup>

<sup>1</sup> A higher contribution amount can be transferred if approved by vote of Dáil Éireann. After 2035, the amount to be transferred each year will be determined by a vote of Dáil Éireann. See section 8 of the Act

<sup>2</sup> A higher contribution amount can be transferred if approved by vote of Dáil Éireann. After 2030, the amount to be transferred each year will be determined by a vote of Dáil Éireann. See section 17 of the Act.

- 25.40** At end-2024, the net assets of the Future Ireland Funds together amounted to €10.47 billion (including accrued interest and ‘fair value’ gains) — €8.45 billion in the Future Ireland Fund, and €2.02 billion in the Infrastructure, Climate and Nature Fund. Almost all of the funds were invested in Euro-area sovereign debt instruments with maturities of less than 3 years.

**25.41** The NTMA established an investment committee to assist it in the control and management of the Funds. The functions of the committee include making recommendations to the Board on the investment strategy for the Funds; reviewing the investment strategy and overseeing its implementation; reviewing; monitoring the overall performance and risk of the Funds; assessing the ongoing suitability of outsourced investment managers and providing recommendations on investments to the Board — who then make the final investment decision.

### State Claims Agency

**25.42** The NTMA manages personal injury, including clinical negligence, and third-party property damage claims on behalf of the State and of certain ‘delegated’ State authorities. In addition, it has a risk management role, advising and assisting those State authorities in minimising their claims exposure. It also considers and manages third-party cost claims against the State and delegated State authorities, arising from all categories of claims. When performing these functions, the NTMA is known as the State Claims Agency (SCA).

#### Claim settlement in 2024

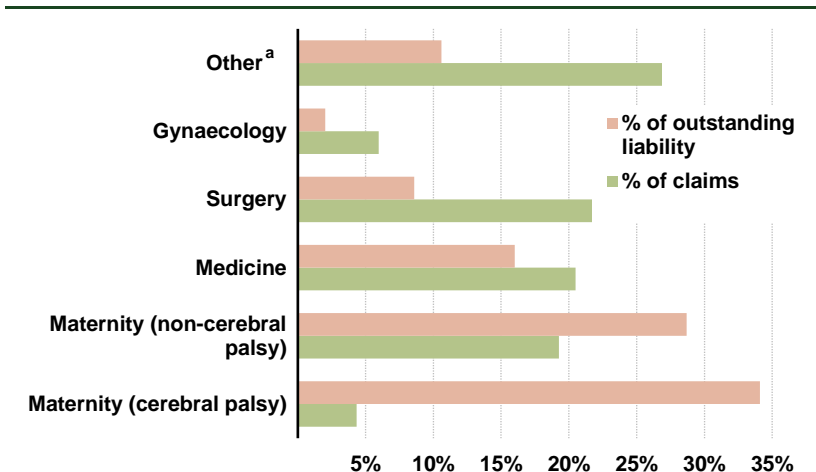
**25.43** In 2024, the SCA paid settlements, awards and expenses totalling €521 million — a decrease of 9% on the prior year (2023: €574 million).<sup>1</sup> These amounts are recoverable by the SCA from the relevant State authorities.<sup>2</sup>

#### Estimated outstanding liability

**25.44** The SCA estimated the cost of settling outstanding claims at the end of 2024 to be €5.4 billion (2023: €5.2 billion).<sup>3</sup>

**25.45** Clinical claims totalling €4.3 billion account for the majority of the total estimated outstanding liability with the remainder relating to general claims. Maternity claims make up almost two-thirds (around €2.7 billion) of the total value of clinical claims with cerebral palsy claims comprising over half (almost €1.5 billion) of the total value of maternity claims (see Figure 25.7).

**Figure 25.7 Clinical claims by service and estimated outstanding liability, at end-2024**



1 Includes all awards and costs paid under the general and clinical indemnity schemes and all other costs paid by the Legal Costs Unit — including Tribunal costs.

2 The SCA’s own administrative costs (€35 million in 2024) are not recovered from delegated State authorities.

3 €997 million of the estimated outstanding liability at year-end relates to interim and ‘periodic payment’ orders.

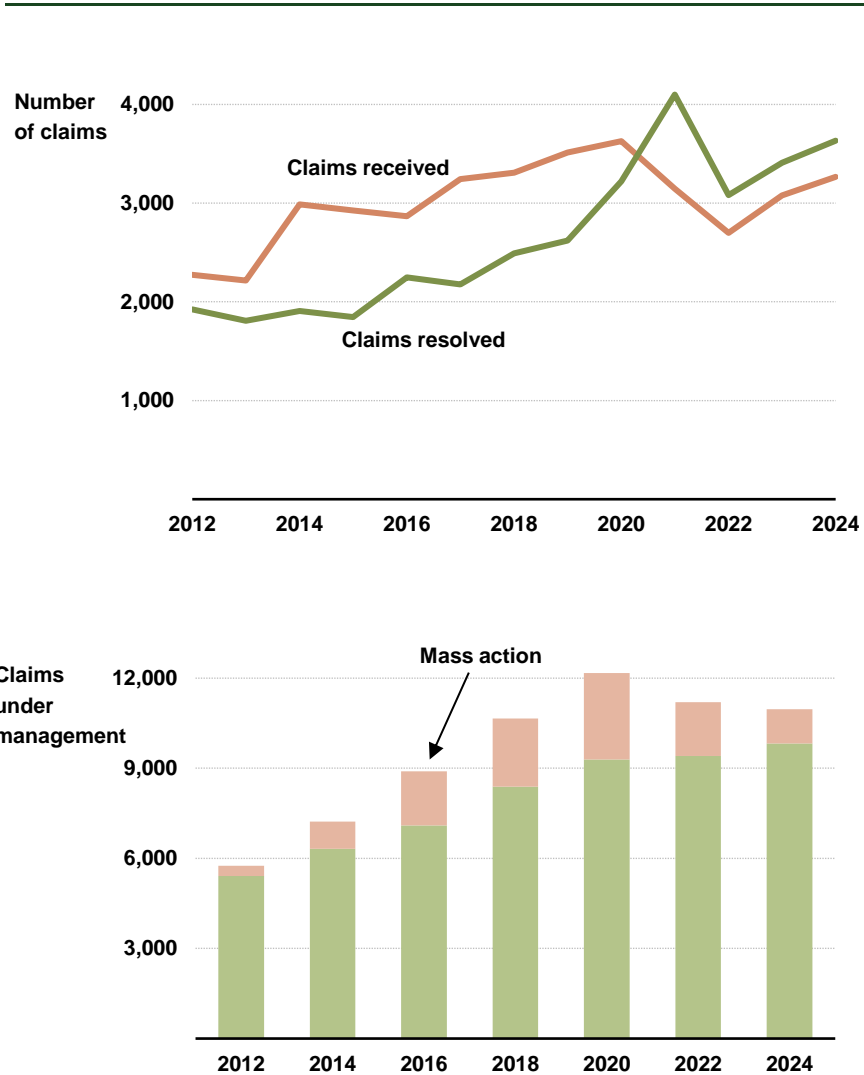
Source: National Treasury Management Agency

Note: a Other comprises all remaining services.

**Estimated outstanding claims**

**25.46** Around 3,600 claims were resolved in 2024 — up from around 3,400 in 2023. However, the number of claims under management by the SCA at the year-end still remains high (see Figure 25.8). At the end of 2024, there were 11,000 (2023: 11,100) claims under management, including 1,100 claims (2023: 1,500) in mass actions (general and clinical).

**Figure 25.8 Claims received and resolved annually, and claims under management, at the year-end, 2012 – 2024**



Source: National Treasury Management Agency

**25.47** The total claims at end-2024 include claims received on the new An Garda Síochána compensation scheme that was established in April 2023.<sup>1</sup> The scheme received 720 claims to end-2024, most of which are legacy claims arising from incidents that pre-date the establishment of the scheme.

<sup>1</sup> Established under [Garda Síochána \(Compensation\) Act 2022](#).

### ***CervicalCheck litigation***

- 25.48** By end-2024, the SCA had received notification of 402 claims related to the HSE's CervicalCheck programme (end-2023: 393 claims). This includes 83 psychological injury claims from family members of women who had availed of the programme.
- 25.49** During 2024, 44 CervicalCheck claims concluded, bringing the total number of claims concluded by end-2024 to 302.<sup>1</sup> The SCA is not informed of the settlement payments made by the laboratories and therefore is unable to provide the total costs for this cohort of claims. Mediation is offered where possible to resolve claims in a non-adversarial manner, although this may not always be under the control of the SCA.
- 25.50** The CervicalCheck Tribunal, in operation since December 2020, provided an alternative system to the courts for processing claims arising. It was a matter for the plaintiffs in each case as to whether they wished to bring claims to the Tribunal or to pursue them through the courts. Plaintiffs who submitted claims to the Tribunal retain a right of appeal to the High Court. The Tribunal closed the receipt of applications on 26 July 2022, with a total of 25 cases accepted. The Tribunal finished hearing cases at the end of July 2023.

### ***Special Obstetrics Indemnity Scheme***

- 25.51** In 2008, the Minister for Health established the Special Obstetrics Indemnity Scheme (SOIS). Under the scheme, the Minister agreed to indemnify the Bon Secours and Mount Carmel Hospitals in respect of specified obstetric claims. Management of claims under the scheme was delegated to the SCA. The hospitals made contributions to a scheme fund which is managed by the SCA.
- 25.52** During 2024, the Mount Carmel SOIS funds were exhausted and, as per a participation agreement, the balance was charged to the Clinical Indemnity Scheme. At the end of 2024, a balance of €2.96 million remained from the Bon Secours contribution to the fund including income earned from scheme investments.
- 25.53** At end-2024, there was one active claim under the scheme related to the Bon Secours Hospital and one active claim related to Mount Carmel. The Bon Secours Hospital claim has been settled in 2025 by a third party, with Bon Secours bearing only the agency solicitor and expert costs of approximately €29,000.
- 25.54** Future claims under the scheme cannot be reliably estimated, as the statute of limitations may not commence until the claimant becomes aware of the issue.

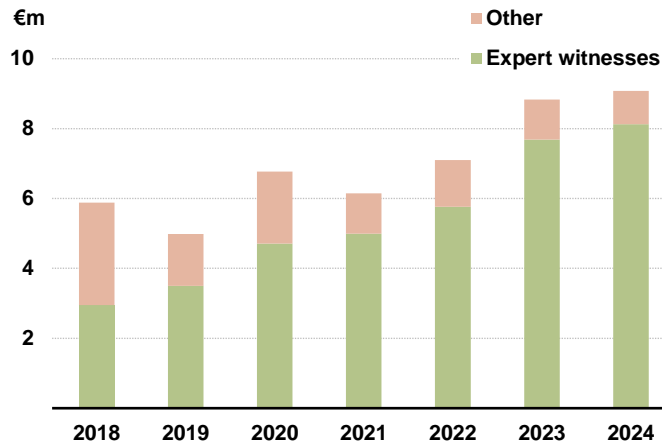
### ***Procurement exceptions and expert witnesses***

- 25.55** During 2024, the NTMA made payments totalling €9.1 million (ex VAT) (2023: €8.8 million, ex VAT) in respect of goods/services that were the subject of procurement exceptions approved in accordance with the NTMA's *Procurement Policy and Procurement Procedure*.

<sup>1</sup> The NTMA previously reported that the total number of cases concluded at end-2023 was 244. This figure excluded 15 claims that had concluded at end-2023. One of these claims was re-opened in 2024.

**25.56** As can be seen in Figure 25.9, the overall level of non-competitive procurement by the NTMA has increased by almost 55% over the last seven years (2018 – 2024). The majority of the increase relates to expenditure associated with expert witnesses retained by the SCA, which was almost three times higher at the end of 2024 (€8.1 million) when compared to 2018 (€2.9 million).

**Figure 25.9 NTMA procurement exceptions, 2018 – 2024**



Source: Financial Statements of the National Treasury Management Agency, 2018 to 2024. Analysis by the Office of the Comptroller and Auditor General.

**25.57** The SCA categorises its expert witnesses in two broad categories — witnesses as to ‘causation and liability’ (e.g. medical and engineer witnesses), and witnesses as to ‘quantum and fact’ (e.g. actuarial witnesses). The SCA does not competitively procure witnesses as to causation and liability as to do so would increase the litigation risk, having regard to Order 39 Evidence, of the Superior Court Rules.<sup>1</sup>

<sup>1</sup> [S.I. No. 15/1986 Rules of the Superior Courts.](#)



## 26 Winding up of the Ireland Apple escrow fund

- 26.1** The Ireland Apple escrow fund was a substantial fund held under the terms of a formal escrow framework deed.<sup>1</sup> The agreement was between the Minister for Finance (the Minister) and Apple Sales International Limited (ASI) and Apple Operations International Limited (jointly referred to hereafter as 'Apple').<sup>2</sup> The fund was set up pending the final outcome of legal challenges to the findings of a State aid investigation undertaken by the European Commission (the Commission).
- 26.2** The investment and management of the fund were jointly overseen by the Minister and Apple. The Minister delegated functions in that regard to the National Treasury Management Agency (NTMA).
- 26.3** The escrow fund was dissolved with effect from 13 May 2025. This report outlines the process involved in winding up the fund, and the disbursement of the resources in the fund.

<sup>1</sup> The deed sets out the detailed legal agreement governing the collection of funds from ASI and Apple Operations Europe Limited (AOE), and any required releases from the escrow fund.

<sup>2</sup> In April 2023, Apple undertook an intragroup corporate reorganisation whereby AOE was absorbed by its Irish incorporated parent company, Apple Operations International Limited (AOI), under the relevant provisions of the Companies Act 2014. Pursuant to the merger, AOI assumed all of AOE's rights, obligations and liabilities.

<sup>3</sup> [Commission Decision on State Aid SA.38373 of 30 August 2016.](#)

<sup>4</sup> [Article 9, Chapter V of the Commission Regulation \(EC\) No 794/2004 of 21 April 2004.](#) The Apple case is the largest State aid recovery ever ordered.

<sup>5</sup> Amounts in this report have been rounded.

<sup>6</sup> [Commission v Ireland and Apple Judgment 10 September 2024.](#)

### Origin of the escrow fund

- 26.4** In June 2014, the Commission opened a formal investigation procedure into tax opinions issued to Apple by the Office of the Revenue Commissioners (Revenue) in 1991 and 2007. The investigation was focused on establishing whether these opinions conferred any advantage on Apple relative to its competitors, such that they constituted unlawful State aid.
- 26.5** In August 2016, the Commission issued its decision concluding that Ireland had given illegal State aid to Apple.<sup>3</sup> The Commission ordered Ireland to recover from Apple the alleged State aid, plus interest, related to a ten-year period from 2003 to 2014. Revenue computed that the alleged State aid to be collected by reference to the Commission's decision was €13.1 billion, plus interest on the State aid amount of €1.2 billion.<sup>4,5</sup>
- 26.6** The Irish Government and Apple separately appealed the Commission's decision and agreed to the recovered amounts being held in an escrow fund pending completion of the legal process. Placement of the recovered amounts in an escrow fund allowed the escrow parties (the Minister and Apple) to determine jointly how the funds were invested pending the final determination.
- 26.7** Apple transferred €14.3 billion into the escrow account in 2018.
- 26.8** The Court of Justice of the European Union issued its final judgment in the case in September 2024. In summary, the Court of Justice confirmed the Commission's 2016 decision that Ireland had granted Apple unlawful State aid, which it was required to recover.<sup>6</sup>

**26.9** The Court also ordered Ireland and Apple to bear their own costs in the legal proceedings, and to pay the costs incurred by the Commission. Fees of approximately €10.3 million were incurred relating to Ireland's legal costs, which included expert advice for the case as well as the costs associated with the recovery of the State aid plus interest.

### Performance of the escrow fund

**26.10** The financial statements of the escrow fund were prepared in accordance with International Financial Reporting Standards, as directed by the Minister. All financial assets of the escrow fund were valued in the financial statements at fair value, which is the quoted market value at the close of trading on the period-end date.

**26.11** The agreed investment principles and parameters for the escrow fund were set out in the investment policy. The objective of the investment policy was to preserve the capital value of the fund to the greatest extent possible in light of the prevailing market conditions. The agreed risk appetite in respect of the escrow fund was 'low', with investments permitted only in types of securities that have a low degree of inherent risk, such as highly-rated fixed income securities of short to medium-term duration.

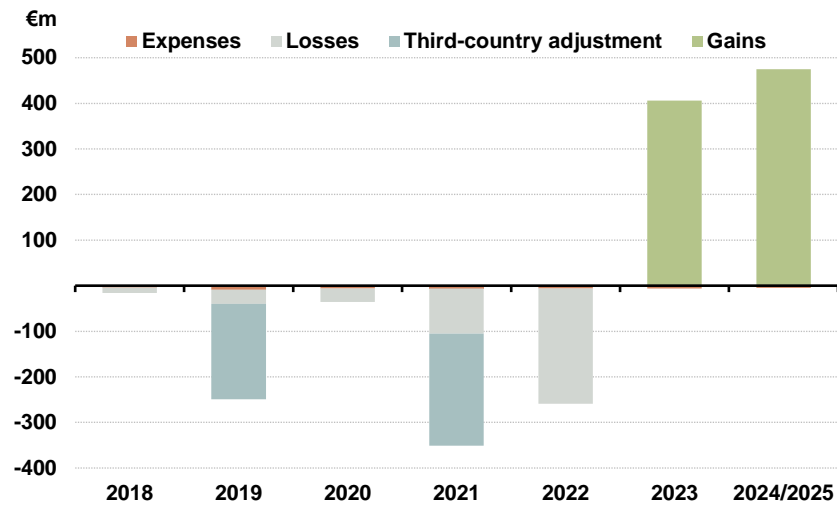
**26.12** In line with the investment policy, the escrow fund was invested in highly-rated euro-denominated fixed income securities or held as cash and cash equivalents. Fixed income securities include sovereign, quasi-sovereign and corporate bonds. Cash and cash equivalents include cash and other short-term investments (with maturities of three months or less).

**26.13** The value of the fund decreased each year from 2018 to 2022 inclusive (see Figure 26.1). This was due mainly to

- Third-country adjustments in 2019 and 2021 to the value of €455 million — these related to situations where Apple was required to pay taxes in another jurisdiction in respect of a portion of the profits subject to the State aid decision. The Minister determined the validity of the third-country adjustment applications made by Apple in accordance with the escrow framework deed. The third-country adjustments that took place were agreed with the Commission.
- Declines in the market value of securities. In the period 2018 to 2021, the fund lost a total of €172 million in value reflecting the negative interest rate environment and negative yields at that time. In 2022, the European Central Bank began increasing rates resulting in a decline in market value of €253 million as prices fell (and yields increased) across global fixed income markets.

**26.14** The net assets of the fund increased by €881 million in the period 2023 to 2025 due to the higher interest rate environment, with the increased income mainly due to reinvesting in assets at higher yields.

**26.15** The escrow fund incurred operating costs of €5 million from 1 January 2024 to the cessation date of 13 May 2025. These primarily relate to investment managers' fees and escrow agent/custodian fees. The operating costs over the life of the fund totalled €42 million.

**Figure 26.1 Movement in the fund's net assets — 2018 to 2025<sup>a</sup>**

Source: Financial Statements of the Ireland Apple Escrow Fund, 2018 to 2025

Note: a 2024/2025 figure relates to the period 1 January 2024 to 13 May 2025.

## Tax assessments

- 26.16** After the Court of Justice issued its final judgment in September 2024, Revenue issued individual corporation tax assessments on the Apple profits related to the accounting periods from 2003 to 2014. Regular meetings were held between Revenue, the Department of Finance, the NTMA and with Apple's advisers to coordinate the process of issuing the assessments and making transfers from the fund.
- 26.17** Tax assessments amounting to almost €11 billion were issued between October and December 2024. The remaining assessments to the value of €1.7 billion were issued in January 2025. In total, assessments to the value of €12.7 billion were issued.

## Dissolution of the escrow fund

- 26.18** The Department and the NTMA have stated that the transfers were completed under the mechanism prescribed in the escrow framework deed.
- 26.19** In anticipation of the final court decision and the consequent prompt dissolution of the fund, the assets in the fund were progressively transferred to cash and cash equivalents during 2024. In September 2024, total assets of €14.165 billion were held in the escrow fund, of which around 45% was invested in financial assets and 55% held in cash and cash equivalents.
- 26.20** Due to the maturity profile of the assets, the funds were withdrawn from the escrow account over a seven-month period between October 2024 and May 2025. The assessments issued by Revenue were settled as they were presented. The receipts were lodged to the Revenue account before being promptly transferred to the Central Fund of the Exchequer as corporation tax receipts.

- 26.21** Following the payment of fees and operational expenses, the balance of the fund (€1.567 billion) was transferred directly to the Central Fund of the Exchequer, as non-tax receipts. The transfer took place by means of a number of cash transfers in 2025, with the final transfer taking place on 9 May 2025.
- 26.22** Final accounts were prepared for the escrow fund covering the period 1 January 2024 to 13 May 2025 — the cessation date of the fund. The fund was closed with a zero balance with effect from 13 May 2025 (see Figure 26.2).

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**Figure 26.2 Apple escrow fund 2018 – 2025**

Fund activity	€m	€m
Apple transfer into fund — tax	13,131	
Apple transfer into fund — interest	1,154	14,285
<i>Less</i>		
Third-country adjustments (withdrawals)		(455)
		13,830
<b>Tax assessments paid to Revenue</b>		(12,677)
Operating expenses (2018 – 2025)		(42)
Net changes in fair value of financial assets		456
<b>Available to be transferred to the Exchequer</b>		1,567
<b>Fund total as at 13 May 2025</b>		—

Source: Revenue Commissioners and National Treasury Management Agency

## 27 Irish Fiscal Advisory Council

**27.1** The Irish Fiscal Advisory Council (Fiscal Council) was established under the Fiscal Responsibility Act 2012 (the Act) to provide independent assessments of the Government's budgetary plans and projections and to inform public discussion of economic and fiscal matters.

### Accounts of Irish Fiscal Advisory Council

**27.2** Under the Act, the Fiscal Council is required to keep accounts of receipts and expenditure in the form approved by the Minister for Finance and to submit them for audit by the Comptroller and Auditor General within three months after the end of the accounting period to which they relate.<sup>1</sup> On completion of the audit, a copy of the accounts and of the audit report must be given to the Minister, who in turn must present them to the Houses of the Oireachtas.

**27.3** Separately, the Act requires the Comptroller and Auditor General to report to Dáil Éireann with respect to the correctness of the sums brought to account by the Fiscal Council each year. This is the report for 2024.

**27.4** The accounts of the Fiscal Council for 2024 have been audited, and the report on the audit was issued on 12 August 2025.

**27.5** I am satisfied that the accounts give a true and fair view of the assets, liabilities and financial position of the Fiscal Council at the end of 2024 and of its income and expenditure for the year.

### Funding

**27.6** As provided for in the Act, the Fiscal Council is funded from the Central Fund of the Exchequer, subject to an inflation-indexed annual 'ceiling' amount. The cash-based funding ceiling for 2024 was €971,000 (2023: €923,000) and funds of €735,000 (2023: €792,000) were drawn by the Fiscal Council in the year.<sup>2</sup>

**27.7** The Fiscal Council's income for the year when accounted for on an accruals basis was €812,000 (2023: €868,000).<sup>3</sup>

**27.8** Current expenditure of the Fiscal Council totalled €807,000 in 2024 (2023: €871,000).

**27.9** Salary costs accounted for 51% of the expenditure in 2024. The largest element of the Fiscal Council's non-pay administration expenditure related to an administration fee payable to the Economic and Social Research Institute (ESRI). The fee in respect of office accommodation costs and support services in 2024 totalled €115,000 (2023: €128,000).

<sup>1</sup> The Fiscal Council's financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 102.

<sup>2</sup> Paragraph 9 of the schedule to the Act set the baseline level of spending for the Fiscal Council on commencement (31 December 2012) at €800,000. The Department of Finance applies the Central Statistics Office Harmonised Index of Consumer Prices when determining the ceiling for any year.

<sup>3</sup> Income and expenditure are determined under the accrual accounting convention but the statutory funding ceiling is cash based.

