

10 Accounting for EU funding transactions

- 10.1** Ireland joined the European Union in 1973 and was a net beneficiary annually from the EU budget over the following 40 years. Since 2013, Ireland's contributions to the EU budget have exceeded its receipts each year, largely due to its strong economic growth relative to other member states. Nevertheless, Ireland receives substantial EU funding each year. In 2024, Ireland received an estimated €1.88 billion from the EU.¹
- 10.2** Ireland receives many types of EU funding. In some cases, funding is received into the Central Fund of the Exchequer. In other cases, payment is made by the EU to departments and public bodies, or directly to beneficiaries.
- 10.3** This examination was undertaken to review
- the adequacy of reporting on EU funding in annual appropriation accounts
 - the potential for enhancements to the current reporting requirements in respect of EU funding
 - issues with the presentation of EU funding that have arisen during audits of appropriation accounts
 - the timeliness of reporting by the Department of Finance on EU transactions.
- 10.4** The examination team reviewed a range of documentation including current and prior-year appropriation accounts and engaged with relevant staff in audited bodies. Benchmarking criteria were developed to assess the adequacy of current reporting on EU funding in appropriation accounts. Case study examples were drawn up based on issues that have arisen on recent financial audits.

Current reporting on EU funding

- 10.5** Government departments and offices receive annual (voted) allocations from the Exchequer to carry out their statutory functions. They are subsequently required to report financial transactions in annual appropriation accounts, prepared in accordance with standard accounting policies and procedures set by the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (Department of Public Expenditure).
- 10.6** EU funding received directly into the Exchequer forms part of the Central Fund and is accounted for in the annual Finance Accounts. EU funding to government departments is generally provided for specific projects and programmes, often on a co-funding basis. It may be allocated annually, but for most programmes it is allocated over several years through the Multiannual Financial Framework (MFF) process. In a minority of cases, funding is provided in advance.
- 10.7** The Department of Public Expenditure requires EU funding received in the year of account to be disclosed in appropriation accounts. This generally includes identification of the source of the funding.

¹ [Annual Report on Ireland's transactions with the EU in 2024](#), Department of Finance, August 2026 (see page 22).

10.8 As reported previously, there are limitations in the presentation of EU funding information in appropriation accounts.² In particular, the following information is not required to be disclosed in the accounts.

- **Total amount allocated to the State from the relevant EU fund.** The appropriation accounts are not required to show the total budget available to Ireland from EU sources, or the proportion of this that has been successfully drawn down to date, or against a funding plan or profile.
- **Value of claims submitted to the EU in the period of account, and value of claims outstanding at the year end.**
- **Financial corrections in the period.** No information is required to be provided on any recovery of funds by the EU, any withdrawal of ineligible claims or any decommitments.
- **Fines in the period.** The accounts are not required to provide information on any EU fines incurred by departments for the infringements of EU rules.

10.9 In the absence of relevant comprehensive information, it is difficult for users of appropriation accounts to assess the performance of a department or office in managing any EU funding it receives, or in drawing down funds that are available to it.

Accounting requirements for EU funding

10.10 A requirement for appropriation accounts to include information on the application of receipts from certain EU funds was introduced in 1992.³ The requirement was extended for the 1995 appropriation accounts to include information about any EU fund brought to account.⁴ Since then, there have been no significant changes to the reporting requirements for EU funding in the appropriation accounts.

10.11 Each year, the Department of Public Expenditure issues detailed instructions on the presentation and disclosure requirements for appropriation accounts, including requirements in respect of EU funding.

10.12 The instructions for the 2025 appropriation accounts issued to all accounting officers in December 2025.⁵ The document includes an illustrative example of an appropriation account prepared in accordance with the requirements. The example account includes two notes relating to EU funding but these are generic and leave the details to be worked out by each accounting officer.

10.13 There remains a lack of consistency in how the EU funding note has been presented across appropriation accounts. In some cases, required information (such as the specific subheads through which EU co-financed expenditure occurs) is not detailed in appropriation accounts.

² See *Report on the Accounts of the Public Services 2022*, chapter 2, [Reporting Ireland's EU transactions](#).

³ [Circular 18/92 Information in the Appropriation Accounts and Estimates](#), Department of Finance.

⁴ [Circular 1/96 Appropriation Accounts Requirements for 1995 and related issues](#), Department of Finance.

⁵ [Circular 25/2025 Requirements for Appropriation Accounts 2025](#), Department of Public Expenditure.

Good practice on reporting EU transactions

10.14 Based on previous reporting on Ireland/EU financial transactions, the following good practice features have been identified for effective reporting on EU funding.

- **Disclosure note:** There should be a specific disclosure note on EU funding in the annual account.
- **Available funds:** The level of detail in the EU funding disclosure note should reflect the scale of the funding available to be drawn down, with each material source of funding identified separately. The account should state the total amount available to Ireland from each funding source over the lifetime of the relevant MFF or other funding framework.⁶ The co-funding rate should be explained, where relevant.
- **Drawdown rate:** The disclosures should indicate the proportion of the total amount available to Ireland that has been drawn down at the account reporting date (usually 31 December) and the total amount remaining to be drawn.
- **Claims awaiting decision:** The disclosures should indicate the value (and number) of any claims submitted to the EU that are awaiting decision at the reporting date.
- **Financial corrections:** Any financial corrections/disallowances or EU fines incurred should be disclosed in the accounts.

10.15 A total of 18 government departments/offices disclosed some level of EU funding in their 2025 appropriation accounts. The information in each account was reviewed and assessed against the first four good practice criteria outlined above (see Figure 10.1).

10.16 The 2025 appropriation account of the Department of Further and Higher Education, Research, Innovation and Science presents a significant level of useful information on EU funding. Noteworthy features of the Department's reporting include the following.

- EU funding information is disaggregated by funding programme.
- For each programme, the overall MFF allocation is disclosed as well as the amount drawn down during the year and the cumulative amount that had been drawn down at year end.
- Details of prefinancing and interim payments are provided.
- Information is provided on direct EU funding to bodies under the Department's aegis.

⁶ Each MFF caters for spending generally over a period of seven budgeting years, and late claims may be allowed for some further years. This can result in overlapping of funding flows in individual accounting periods.

Figure 10.1 Reporting on EU funding in 2025 appropriation accounts

Vote	Service	Disclosure note	Available funds	Drawdown rate	Claims awaiting decision
4	Central Statistics Office	●	●	●	—
9	Office of the Revenue Commissioners	●	●	●	—
11	Public Expenditure, Infrastructure, Public Service Reform and Digitalisation	●	●	●	—
13	Office of Public Works	●	●	●	—
14	State Laboratory	●	●	●	—
20	Garda Síochána	●	●	●	—
24	Justice, Home Affairs and Migration	●	●	●	—
26	Education and Youth	●	●	●	—
29	Climate, Energy and the Environment	●	●	●	—
30	Agriculture, Food and the Marine	●	●	●	—
31	Transport	●	●	●	—
32	Enterprise, Tourism and Employment	●	●	●	—
34	Housing, Local Government and Heritage	●	●	●	—
37	Social Protection	●	●	●	—
38	Health	●	●	●	—
40	Children, Disability and Equality	●	●	●	—
42	Rural and Community Development and the Gaeltacht	●	●	●	—
45	Further and Higher Education, Research, Innovation and Science	●	●	●	—

● Yes ● Partially ● No — Not referenced^a

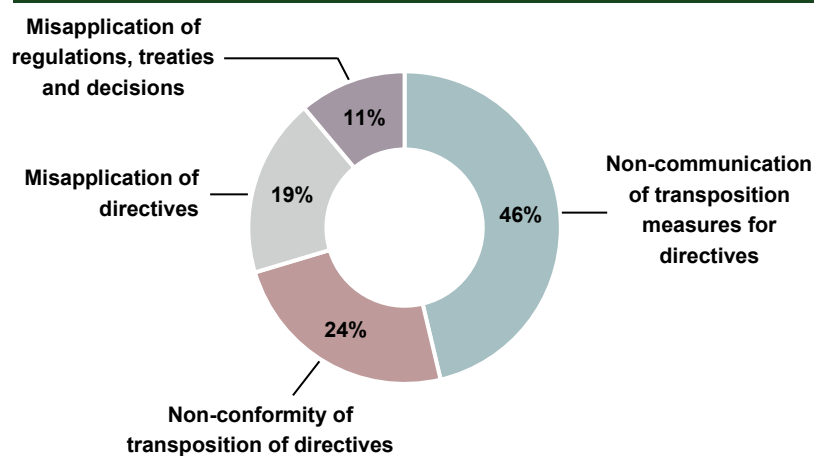
Source: [Appropriation accounts](#). Analysis by the Office of the Comptroller and Auditor General.

Note: a In these cases, there was no disclosure of claims submitted to the EU that were awaiting decision at the reporting date, but it was also unclear whether any such claims existed.

Financial corrections and fines

- 10.17** Financial corrections are reductions in EU funding that are applied to projects in cases where it transpires that payments have been made in error due to irregularities such as ineligibility for funding or alleged fraud.⁷ Corrections can occur after an EU audit or some other review of eligibility conditions.
- 10.18** In some cases, the application of financial corrections can be delayed for several years because of the time taken to complete audits, perform additional verification work or reach agreement between the European Commission and member states. In November 2025, the European Court of Auditors made recommendations aimed at improving the consistency, accuracy and timeliness of financial corrections.⁸
- 10.19** Correction amounts owed may be offset against current EU funding or be directly repaid to the EU from the Exchequer.
- 10.20** Separately, the European Commission may take legal action, known as an infringement procedure, against any EU member state that fails to implement EU law. The Commission may refer the issue to the European Court of Justice which can impose financial sanctions. There are currently (September 2026) 54 active infringement cases relating to Ireland (see Figure 10.2) at various stages of progress.
- 10.21** Infringement cases are taken against all member states from time to time. The Department of Foreign Affairs and Trade, which monitors such cases against Ireland, has stated that the number of infringement procedures against Ireland has reduced steadily over recent years as a result of a consistent and sustained compliance effort. The Department has also stated that the current total of 54 cases against Ireland is below the EU average of 70 cases per member state, and less than half the highest number of infringements (117 cases) against a single member state.

Figure 10.2 Active infringement cases against Ireland, by type, September 2026



Source: European Commission

⁷ Corrections can be for a specific amount where a quantifiable error has been detected. In some cases, corrections are based on extrapolation e.g. where an error has been detected in a representative sample and can be assumed to have also occurred in other unaudited operations. Flat-rate corrections can apply for errors that cannot be quantified.

⁸ [Special report 22/2025: Financial corrections in Cohesion policy](#), European Court of Auditors, November 2025.

- 10.22** While most infringement cases are likely to be resolved without financial sanctions being incurred, some cases may result in the European Court of Justice imposing fines on Ireland. There are currently two active cases before the Court where the European Commission has proposed substantial fines. These relate to alleged non-compliance with obligations under the Urban Waste Water Treatment Directive (1991), and alleged non-transposition of parts of the NIS2 Directive on Cybersecurity (2022).
- 10.23** Between 2020 and 2025, EU fines incurred were reported in nine appropriation accounts (see Figure 10.3).
- 10.24** Prior to the 2024 financial year, there was no specific requirement under the Department of Public Expenditure reporting directions for information on financial corrections or EU fines to be disclosed in appropriation accounts. A new accounting standard, introduced with effect from 1 January 2024 as part of a suite of new accounting standards for the central government sector, established new requirements in respect of provisions and contingent liabilities.⁹ The Department of Public Expenditure stated that under the standard, accounting officers should, where appropriate, recognise provisions relating to EU fines in the statement of financial position or disclose potential fines — and their estimated value — as a contingent liability in the notes to the appropriation accounts.

Figure 10.3 EU fines disclosed in appropriation accounts

Vote ^a	Year of account	Reason for fine	Total fine paid
24 Justice, Home Affairs and Migration	2020	Late transposition of EU directive	€2 million
29 Climate, Energy and the Environment	2024	Late transposition of EU directive	€4.5 million
33 Culture, Communications and Sport	2024, 2025	Late transposition of EU directive	€5.1 million ^b
34 Housing, Local Government and Heritage	2020, 2021, 2022, 2023	Failure to carry out a retrospective environmental impact assessment	€17.2 million ^c
40 Children, Disability and Equality	2025	Late transposition of EU directive	€1.5 million

Source: Appropriation accounts 2020 to 2025

- Notes:
- a The current title is shown for each Vote. The Vote title may have changed since the relevant year of account.
 - b Payments to the European Commission comprised €4.33 million in 2024 and €0.81 million in 2025. The fine imposed by the European Court of Justice in February 2024 was a €2.5 million lump sum for the infringement, plus a daily fine of €10,000 while the infringement continued, plus legal costs.
 - c Payments to the European Commission comprised €7.75 million in 2020, €5.48 million in 2021, €2.76 million in 2022 and €1.25 million in 2023. The fine imposed by the European Court of Justice in November 2019 was a €5 million lump sum for the infringement, plus a daily fine of €15,000 while the infringement continued, plus legal costs.

⁹ [CGAS 19 Provisions, Contingent Liabilities and Contingent Assets.](#)

Issues arising on financial audit

- 10.25** The timing of prepayments, the funding rules, the way in which EU funding is accounted for, and the impact of financial corrections and fines can present significant management challenges. The complexity involved can also impede transparency and accountability about the financial outcomes.

Case 1: repayment to the EU Solidarity Fund

- 10.26** The EU Solidarity Fund was established in 2002 to offer financial support to member states following major natural disasters. The scope of the fund was expanded in March 2020 in response to the Covid-19 pandemic to include support for major public health emergencies.
- 10.27** Solidarity funding was available to assist member states with expenditure on direct response measures during the immediate aftermath (i.e. the first four months) of the declaration of the Covid-19 emergency. To be eligible for funding, the member state had to incur relevant expenditure in the support period totalling over €1.79 billion, or equivalent to more than 0.3% of the applicant state's gross national income.¹⁰
- 10.28** To be eligible for support, response measures had to be aimed at supporting the population and limiting the spread of Covid-19. Eligible costs included
- medical assistance including medicines, equipment and medical devices, costs of healthcare or civil protection infrastructure and laboratory analyses
 - personal protective equipment
 - special assistance to the population and vulnerable groups
 - support to ensure medical and other emergency services personnel were able to remain operational
 - development of vaccines or medicines
 - strengthening preparedness
 - sanitation of buildings
 - health checks
 - risk assessments and management.
- 10.29** Solidarity funding was not available towards the cost of measures to support business or the labour market, or donations to other countries.

Funding rate

- 10.30** The initial funding rate was set at 2.5% of the first €762.9 million (country-specific threshold) of eligible expenditure, plus 6% of the balance of eligible expenditure. Applications for support from member states were presented on that basis. However, in March 2021, the European Commission approved total funding of approximately €530 million to support emergency measures taken by member states to manage the Covid-19 pandemic. This represented approximately 47% of the aggregate amount that had been claimed by member states. Accordingly, the approved funding for each country was set at 47% of the amount claimed.

¹⁰ The minimum spending threshold of €1.79 billion was based on a figure of €1.5 billion in 2011, adjusted to 2020 prices.

Ireland's application for support

- 10.31** In June 2020, the Department of Health claimed from the EU Solidarity Fund based on estimated total eligible expenditure of nearly €2 billion. Applying the announced funding formula, the amount due to Ireland was initially expected to be around €93.1 million.
- 10.32** In November 2020, the European Commission issued a decision confirming that the conditions for paying a funding advance had been met by Ireland. An advance of €23.3 million (i.e. 25% of the anticipated funding) was paid to Ireland in December 2020. The decision stipulated that the Commission would recover any unduly paid advances, if necessary.
- 10.33** After the total funding amount was set in March 2021, the funding amount approved for Ireland was €43.8 million i.e. 47% of €93.1 million, based on estimated total eligible expenditure of nearly €2 billion. In December 2021, the Commission paid the estimated funding balance of €20.5 million to Ireland.
- 10.34** The payments from the EU were received into Vote 38 Health and were recognised as appropriations-in-aid of the Vote in 2020 and 2021.
- 10.35** To finalise their claims, member states were required to submit an implementation report and an audit report within 24 months of receiving their final payment. In Ireland's case, the Department of Health sought an extension of time for submission of the reports, and the European Commission granted an additional five months for compliance i.e. by the end of May 2024.
- 10.36** A draft implementation report prepared by the Department of Health in April 2025 estimated that Ireland's eligible expenditure in the months March to June 2020 had been just under €1.6 billion. An independent audit of the draft report reduced the level of confirmed eligible expenditure to just over €1.5 billion. This represented a significant reduction in the level of eligible expenditure that had been anticipated. The reductions in the verifiable eligible expenditure resulted in a commensurate reduction in the level of support to which Ireland was entitled.
- 10.37** At the end of the verification process, the total value of Ireland's claim for solidarity funding was €29.8 million. Given that Ireland received €43.8 million from the Commission, an amount of €14 million is now repayable from Vote 38 Health. This is recognised as a provision in the statement of financial position for the Vote at end 2025.
- 10.38** It appears that a new subhead will be required within the Health Vote for 2026 to allow for making the repayment to the EU.

Case 2: repayment to the Just Transition Fund

- 10.39** The EU's Just Transition Fund (JTF) aims to mitigate the adverse effects of climate transition by supporting the most affected territories and workers, and to promote a balanced socio-economic transition.¹¹
- 10.40** In December 2022, the European Commission approved Ireland's EU JTF programme. Programme implementation began during 2023.

¹¹ Chapter 18, *Delivery of the EU Just Transition programme* examines the adequacy of the funding framework and assesses achievements to date.

- 10.41** A 50% co-financing rate applies for the EU JTF programme in Ireland, whereby the EU allocation is matched by equal national Exchequer funding. Generally, the Exchequer funds expenditure for projects in the first instance with the EU contribution reclaimed later. However, EU regulations allow for prefinancing of certain funds including the JTF. Financing paid in advance is deducted from the value of subsequent eligible claims received from the relevant member state.
- 10.42** A small percentage (0.5%) of annual prefinancing is payable under the JTF. An amount of €844,667 for prefinancing in respect of 2021 and 2022 was received by Ireland in December 2022.
- 10.43** In May 2024, the Commission requested repayment of the prefinancing for 2021 and 2022 because the Department of Climate, Energy and the Environment had not declared any eligible expenditure against which the prefinancing could be offset. EU regulations allow, where possible, the offsetting of amounts due from member states in subsequent payments under the same programme. On that basis, half of the repayment related to 2021 and 2022 prefinancing was offset against the tranche of prefinancing payable to Ireland in respect of 2024.
- 10.44** A technical repayment of just under €433,000 (including late-payment interest of €10,000) was made by the Department of Climate, Energy and the Environment to the EU in November 2024. A supplementary estimate for Vote 29 was granted and a new subhead (A.11) had to be established to facilitate the payment.
- 10.45** The pre-financing repaid to the EU in respect of 2021 and 2022 did not result in any overall loss of EU JTF funding available to Ireland.

Case 3: use of EU cyber security funding

- 10.46** A number of departments/offices use suspense accounts to manage and distribute EU funds. A suspense account is a temporary holding account which is opened to record payments or receipts that are not proper to, or cannot at the present time be charged or credited to, the vote account. Public financial procedures direct that suspense accounts should only be opened in exceptional circumstances and that prior approval should be obtained from the Department of Public Expenditure.¹²
- 10.47** In relation to EU funding, the procedures provide that a suspense account may be approved for use where a department has responsibility for managing an operational programme. In such cases, the usual arrangement is that funding receipts from the EU are lodged in the first instance to a suspense account operated by the 'lead' department in question and then disbursed as appropriate to the relevant votes or other bodies involved in the operation of the programme, as activities are undertaken.
- 10.48** Up to June 2025, responsibility for cyber security policy in Ireland and for the National Cyber Security Centre (NCSC) was with the former Department of the Environment, Climate and Communications. Following a formal transfer of function, the NCSC is now an operational arm of the Department of Justice, Home Affairs and Migration.

¹² [Circular 25/2008 Public Financial Procedures — Suspense Accounts and Agency Services](#), Department of Finance, November 2008.

10.49 The EU, through the Digital Europe Programme, has approved allocations of funding to Ireland for three cyber security initiatives (see Figure 10.4). These projects are co-funded, with the EU contribution matching Exchequer spend on a 50:50 basis. The funding relates to

- the development and implementation of the National Cyber Security Coordination and Development Centre for Ireland (NCC-IE)
- an interconnected system of cyber security coordination and response networks (the Cyber Core Network)
- a project to unify and upgrade certification capabilities across Europe (TrustBoost).

10.50 The funding for the projects is being managed through suspense accounts. Sanction was received for the use of a suspense account in all three cases.

10.51 The Departments responsible for managing the cyber funding applied different accounting treatments for the three projects.

- Prior to the transfer of functions in June 2025, the former Department of the Environment, Climate and Communications apportioned expenditure on each project between the relevant suspense account and Vote 29.
- Since November 2025, the Department of Justice, Home Affairs and Migration has charged all expenditure relating to the three projects to Vote 24, with no charge on the associated suspense accounts.¹³ The Department stated that when each project is complete and once all audit requirements have been satisfied, the appropriate amount of EU funding will be transferred from the suspense account to the Vote as appropriations-in-aid.

13 The transfer of finance functions and suspense account balances took effect in November 2025.

Figure 10.4 EU cyber funding

	NCC-IE	Cyber Core Network	TrustBoost	Total
Project period	2 Oct 2023 – 1 Jan 2026	1 Jan 2024 – 31 Dec 2026	1 Sep 2024 – 31 Aug 2027	
Suspense account sanction	5 Dec 2023 – 31 Jul 2027	5 Mar 2024 – 31 Jul 2027	1 Sep 2024 – 31 Dec 2027	
	€000	€000	€000	€000
Total eligible costs	4,200	3,600	400	8,200
Max EU grant amount	2,000	1,800	200	4,000
EU funding received (to end 2025)	1,800	1,421	158	3,379
Suspense account balance 31/12/2024	1,482	1,394	158	3,034
Suspense account balance 31/12/2025^a	1,682	1,325	158	3,166

Source: Department of Climate, Energy and the Environment and Department of Justice, Home Affairs and Migration

Note: a Amounts may not tot due to rounding.

10.52 The project to develop the National Cyber Security Coordination and Development Centre for Ireland, known by the acronym NCC-IE, started in October 2023 and was originally expected to end by 1 October 2025. With the agreement of the European Commission, the project term was extended to 1 January 2026. Prefinancing of 80%, i.e. €1.6 million, was received from the EU in 2023 and a further 10% (€200,000) was received during 2025. Cumulative expenditure of €118,000 from the suspense account to the end of 2025 included spending on arena hospitality, event management, promotional goods and travel costs. The Department of Justice, Home Affairs and Migration stated that when the project is finalised and the EU contribution amount agreed, any excess funding received will be repaid to the European Commission.

10.53 In 2023, just over €1.4 million prefinancing was received in relation to the Cyber Core Network project. Sanction was provided by the Department of Public Expenditure in March 2024 for the creation of a suspense account. The conditions of the sanction (similar to the sanctions for the other two projects) included that

- the account would be operated in accordance with the requirements on suspense accounts as laid out in public financial procedures
- the account would be regularly monitored and only required while the project is in operation
- it would expire on 31 July 2027 (any extension requiring further approval)
- the need for the account is kept under review and controls are in place to monitor the operation of the account
- the balance on the account at the end of each year be disclosed as a note in the appropriation accounts.

10.54 To the end of 2025, expenditure of €96,000 had been charged to the suspense account for the Cyber Core Network project. No expenditure has been charged to the suspense account in 2026. While the project is due to be complete by the end of 2026, only a small proportion of the planned expenditure has been charged to the suspense account to date.

10.55 The TrustBoost project received €158,000 in EU funding in 2024. This project to advance cyber security, resilience and compliance throughout the EU is being progressed by the NCSC in partnership with ten other participants. No project expenditure had been charged to the suspense account at the end of 2025.

Case 4: unused funding from the Asylum, Migration and Integration Fund

¹⁴ The Asylum, Migration and Integration Fund aims to boost national capacities and improve procedures for migration management, as well as to enhance solidarity and responsibility sharing between member states, through emergency assistance and the relocation mechanism.

10.56 In June 2020, the EU awarded Ireland a grant of €13.5 million from the Asylum, Migration and Integration Fund to provide emergency accommodation to persons entering the State who were seeking international protection but could not be accommodated within the existing accommodation portfolio.¹⁴ The asylum seekers were accommodated in rented rooms in hotels and guesthouses following a call for expressions of interest.

10.57 Upon receipt, the funds were lodged to and held in a suspense account.

10.58 The European Court of Auditors (ECA) has examined the procurement procedure applied for the hotels and guesthouses used to provide the accommodation.¹⁵ Due to the lack of available supporting documentation, the ECA was unable to verify whether the procurement had been properly organised.

10.59 The ECA's findings included that

- tenderers had been treated unequally e.g. one bid was rejected because the hotel had too few available rooms but bids from other hotels with less capacity were accepted
- some of the contracts with hotels were not signed by both parties and contracts did not cover the period of the invoices checked during the audit
- there was no proper monitoring of the use of the emergency accommodation and no satisfactory evidence that residents were indeed asylum seekers.

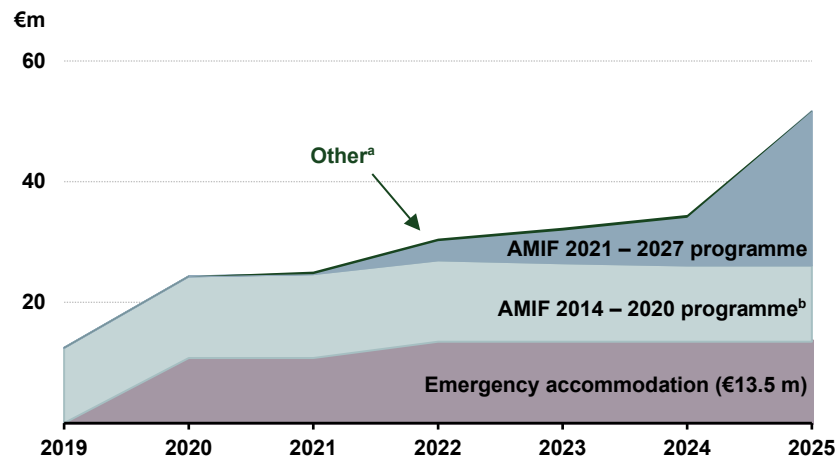
10.60 The ECA report concluded that all of the declared expenditure was ineligible for EU funding. The audit findings were upheld in an ex-post audit report completed by the European Commission in January 2026 requiring the return of the funds. The €13.5 million was repaid to the EU in April 2026.

10.61 The Department of Justice, Home Affairs and Migration also holds other funding received by the State from the EU the Asylum, Migration and Integration Fund in the same suspense account. Expenditure associated with the Fund is recorded under subhead C.4 of Vote 24 Justice. EU funding is transferred from the suspense account to the Vote, as appropriations-in-aid, when eligibility is deemed to be certain.

¹⁵ [Annual report on the implementation of the EU budget for the 2021 financial year](#) (see page 215), European Court of Auditors.

10.62 Including the €13.5 million that was the subject of the ECA audit, the total balance in the suspense account at the end of 2025 was €51.8 million (see Figure 10.5). This represented an increase of €17 million on the end-2024 balance.

Figure 10.5 Asylum, Migration and Integration Fund suspense account end-year balances, 2019 to 2025



Source: Department of Justice, Home Affairs and Migration

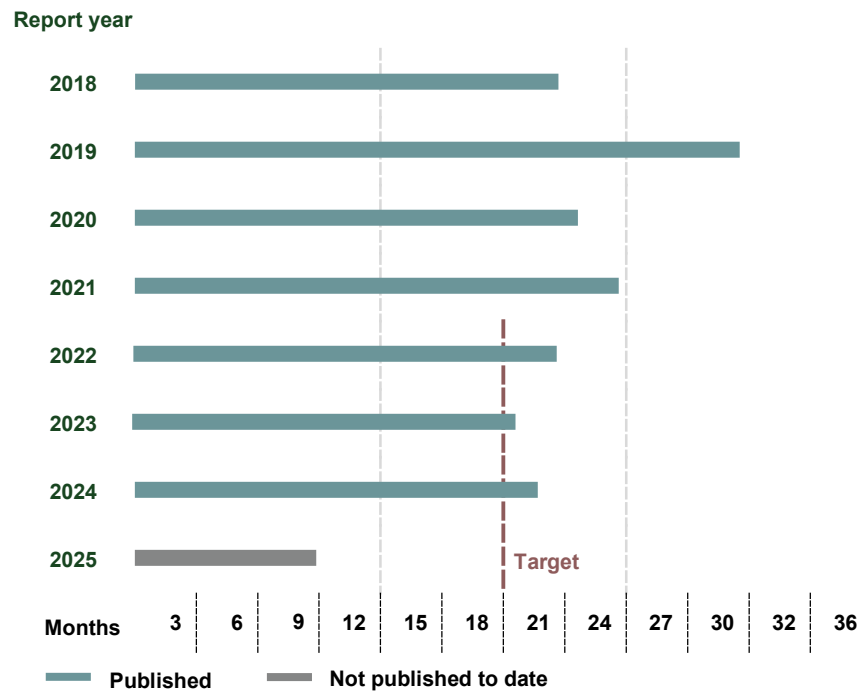
- Notes:
- a Consists of funding for the CAPS-EU project which aims to build capacity to design, implement, sustain and scale up community sponsorship programmes for refugees.
 - b A total of over €22.2 million funding under the Asylum, Migration and Integration Fund 2014 – 2020 programme was recognised as appropriations-in-aid between 2020 and 2024.

Reporting EU transactions

- 10.63** In 2020, the Department of Finance commenced publishing an annual report, presenting a consolidated view of the financial transactions between Ireland and the EU.
- 10.64** In 2023, the Department of Finance agreed to improve the timeliness of its annual reports on EU transactions.¹⁶ It undertook to publish each annual report within 18 months of the end of the reporting year. The stated publication targets have not been met in any year to date (see Figure 10.6).
- 10.65** The report for 2024 was published at the end of August 2026.¹⁷ The Department of Finance stated that several constraints remain which make it challenging to publish the annual reports on EU transactions within 18 months. In particular, it stated that the reports are based on both national and EU data which takes some time to become available and then has to be collected, checked and analysed. Notwithstanding the challenges, the Department has committed to its aim to meet the 18-month publication target in future years.

¹⁶ See *Report on the Accounts of the Public Services 2022*, chapter 2, [Reporting Ireland's EU transactions](#).

¹⁷ [Annual Report on Ireland's transactions with the EU in 2024](#).

Figure 10.6 Time lag for the publication of report on EU transactions

Source: Department of Finance

Conclusions

10.66 Ireland is a net contributor to the finances of the EU, but substantial funding continues to be received each year from the EU. This funding is received in diverse ways: EU funds can either be paid into the Central Fund of the Exchequer, channelled through government departments and other public bodies, or paid directly to beneficiaries. The complexity of the fund flows makes them difficult to understand and requires clear accountability and reporting so that taxpayers can understand the transactions.

Accounting requirements for EU funding

10.67 A total of 18 government departments/offices disclosed some level of EU funding in their 2025 appropriation accounts. This examination found limitations in the EU funding information presented in almost all of the accounts. For example, accounts did not generally disclose the total amount allocated to the State with respect to the EU fund in question or the proportion of that total that had been drawn down to date.

10.68 The appropriation accounts presented by the Department of Further and Higher Education, Research, Innovation and Science were identified as a good practice example. Notable features of the Department's reporting include that EU funding is broken down by programme, details of prefinancing and interim payments are provided, and information is included on direct EU funding to bodies under the Department's aegis.

10.69 The Department of Public Expenditure is responsible for setting the accounting requirements for appropriation accounts. The disclosure requirements in respect of EU funding are basic. In particular, there is no requirement to disclose the total amount allocated to the State for each fund, the proportion drawn down to date, or the effect of any financial corrections or fines imposed during the period. In the absence of that type of information, it is difficult for users of the accounts to assess the performance of a department/office in managing EU funding.

10.70 The Department of Public Expenditure considers that the annual appropriation account is most appropriately used to report matters that are directly attributable to a particular vote, such as financial corrections or fines arising in respect of expenditure charged to that vote.

10.71 The Department of Public Expenditure's position is informed by the following considerations.

- Information on EU funding is reported through a comprehensive range of programme-specific accounts, EU reporting frameworks, annual financial statements of beneficiary bodies and established audit arrangements. These mechanisms provide detailed information on the allocation, drawdown and use of EU funds across the State and support robust accountability at both national and EU level.
- The appropriation accounts serve a distinct purpose within the State's accountability framework. They are the primary mechanism through which accounting officers account to Dáil Éireann for expenditure authorised by the Oireachtas and issued from the Central Fund. The accounts report expenditure incurred under individual votes together with associated assets and liabilities and are therefore most closely aligned with matters that fall within the direct responsibility of the accounting officer concerned.
- The Department notes that responsibility for the audit of EU funds rests with the relevant EU audit authorities and that EU funding arrangements involve a range of national and European institutions, programmes and beneficiaries. The development and publication of statistics relating to Ireland's drawdown of EU funds would therefore benefit from ongoing engagement with the relevant authorities and audit bodies in order to support consistency, comparability and reliability of reporting.
- The timely presentation of audited appropriation accounts to the Houses of the Oireachtas is a key element of parliamentary accountability. In recent years, the Department has encouraged earlier completion of the accounts process through the annual appropriation account circular, demonstrating that progress towards more timely financial reporting is achievable. Continued focus on the core purpose of the appropriation accounts supports their efficient preparation, audit and presentation and strengthens parliamentary scrutiny of public expenditure.
- The Department considers that this approach provides clear lines of accountability, supports timely reporting to the Oireachtas, and complements the extensive programme-specific reporting and assurance arrangements that already exist for EU-funded expenditure.

Issues arising on financial audit

- 10.72** The timing of prepayments, the funding rules, the way in which EU funding is accounted for, and the impact of financial corrections and fines can present challenges for management of and reporting on the transactions.
- 10.73** A number of issues with the presentation of EU funding in appropriation accounts have arisen over recent audits.
- The Department of Health expects to repay an amount of €14 million to the EU in respect of excess funding it received from the EU Solidarity Fund in 2021. A new subhead may be required to facilitate the repayment.
 - The Department of Justice, Home Affairs and Migration is holding significant EU funding (around €3 million at end 2025) in a suspense account in respect of three cyber security projects. This includes a balance of nearly €1.7 million in respect of one project that was due to conclude by the end of 2025.
 - An ECA report in respect of the implementation of the EU budget for the 2021 financial year concluded that expenditure supporting a payment of €13.5 million received by Ireland from the Asylum, Migration and Integration Fund was ineligible. This funding was repaid to the EU in April 2026.