



Ard-Reachtair Cuntas agus Ciste
Comptroller and Auditor General

Report on the Accounts of the Public Services 2025

September 2026

Report of the Comptroller and Auditor General

Accounts of the Public Services 2025

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 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 2025 financial year.

The report is set out in three parts, which deal with the following matters

- central government finances and cross cutting issues
- examinations of State receipts
- management of voted expenditure.

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 2025 to Dáil Éireann in accordance with Section 3 (11) of the 1993 Act.

Presentation of appropriation accounts 2025

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 2025 and submit those accounts, together with my audit certificates, to Dáil Éireann.



Seamus McCarthy
Comptroller and Auditor General

30 September 2026

Contents

Central government finances

1	Exchequer financial outturn for 2025	11
2	Irish Fiscal Advisory Council	33
3	Accounts of the National Treasury Management Agency	35
4	Central government funding of local authorities	53
5	Net cost of banking stabilisation measures	67
6	Implementation of the Central Government Accounting Standards	81

Revenues of the State

7	Management of high wealth individuals' tax liabilities	89
8	Vacant homes tax	103

Expenditure management

9	Vote accounting and budget management in 2025	121
10	Accounting for EU funding transactions	139
11	Management of OPW-owned residential properties	155
12	Financial management shared services: implementation progress	173
13	Cancellation of fixed charge penalty notices due to errors	185
14	Cancellation of pre-contract accommodation agreements	189
15	Budget control for Vote 26 Education and Youth	195
16	Planning for emerging school demand	207
17	Provision of climate financing to developing countries	231
18	Delivery of the EU Just Transition programme	247
19	Progress on delivery of forestry programme objectives	263
20	Overpayment of electric vehicle grants for demonstration models	287
21	Management of compensation for cessation of turf cutting	295
22	Cancellation of a social housing PPP procurement	317
23	Obsolescence of Light Tactical Armoured Vehicles	323
24	Regularity of social welfare payments	329
25	Daily expenses allowance scheme	347
26	Procurement of hot school meals	367
27	Allocation of acute adult inpatient mental health beds	395
28	Delivery of effective further education and training	415

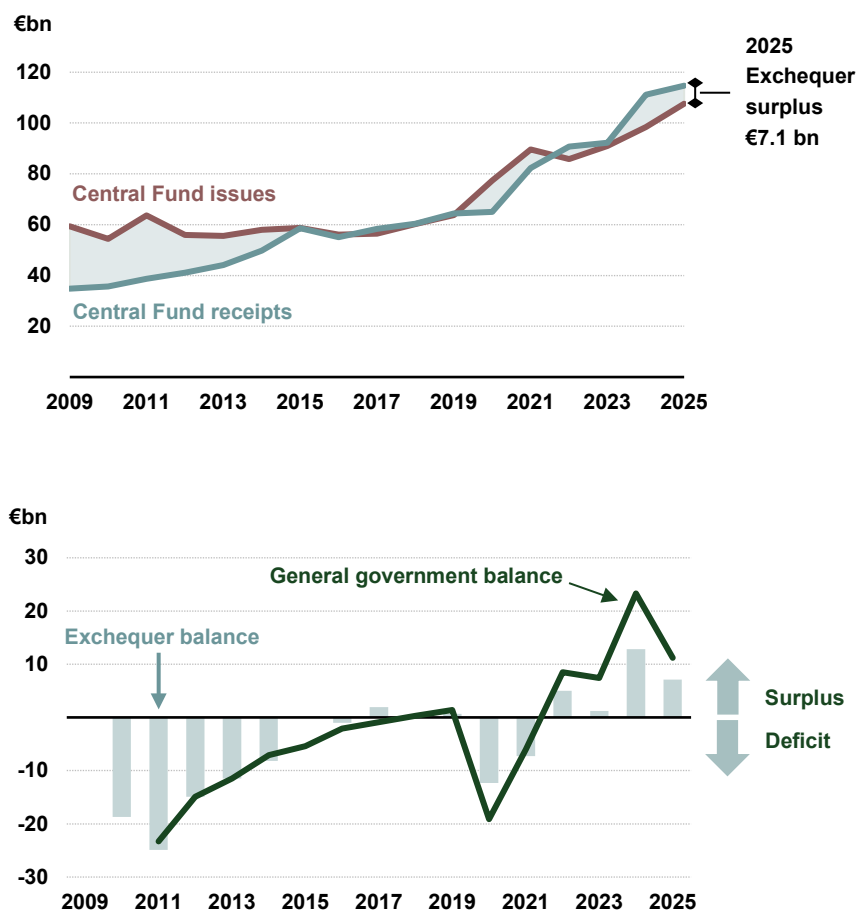
**Report on the
Accounts of the Public Services 2025**

Central Government

1 Exchequer financial outturn for 2025

- 1.1** All revenues of the State are paid into the Central Fund of the Exchequer unless the law specifically provides for another application of the funds.¹ 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 report 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.²
- 1.3** The difference between the Central Fund receipts and issues is referred to as the Exchequer balance. This may reflect a surplus or deficit position. In 2025, the Exchequer surplus was €7.1 billion (see Figure 1.1). This compares with a surplus of €12.8 billion recorded for 2024.

Figure 1.1 Central Fund receipts and issues, and Exchequer and general government balances, 2009 – 2025^a



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 [2025 Finance Accounts](#) represented around 79% of total general government revenue and around 80% of total general government expenditure.

Source: Finance Accounts 2009 to 2025 (Exchequer balance). Central Statistics Office, Government Finance Statistics, April 2026 (general government balance).

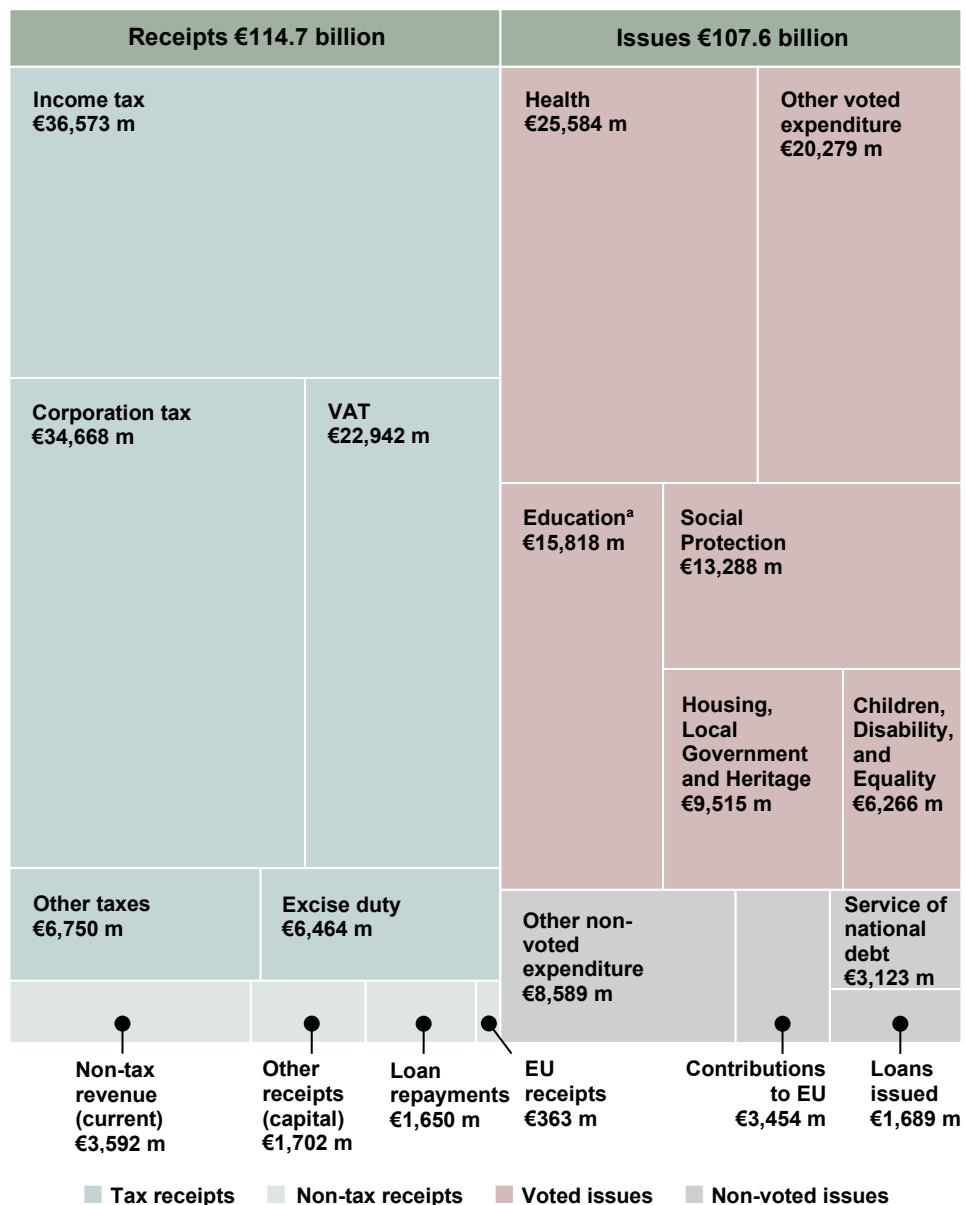
Note: a Central Fund receipts and issues include the service of national debt but exclude borrowing undertaken by the NTMA on behalf of the State and the repayment of national debt. See Annex 1B (Figure 1B.1) for analysis of Central Fund receipts and issues for 2020 to 2025.

- 1.4** The general government balance measures the fiscal performance of the government sector and is the standard benchmark used for comparative purposes across the EU. This provides a more complete view of the State's fiscal performance.³ In 2025, the general government surplus was around €11.2 billion (2024: €23.3 billion).⁴

Central Fund receipts and issues

- 1.5** Central Fund receipts in 2025 totalled €114.7 billion. Taxes accounted for 94% of the receipts (see Figure 1.2).⁵ Issues from the Central Fund in 2025 totalled €107.6 billion. Issues to central government departments and offices for voted services accounted for 84% of the total.

Figure 1.2 Central Fund receipts and issues in 2025



³ Annual and quarterly general government finance statistics are prepared by the Central Statistics Office (CSO). See Annex 1A for an outline of these statistics.

⁴ CSO revised figure. The 2024 surplus was previously reported as €23.2 billion ([Government Finance Statistics 2024 \(April 2025\)](#)).

⁵ An analysis of Central Fund receipts and issues (excluding NTMA borrowing) for the years 2020 to 2025 is set out in Annex 1B (Figure 1B.1).

Source: Finance Accounts 2025. Any apparent differences in totals are due to rounding.

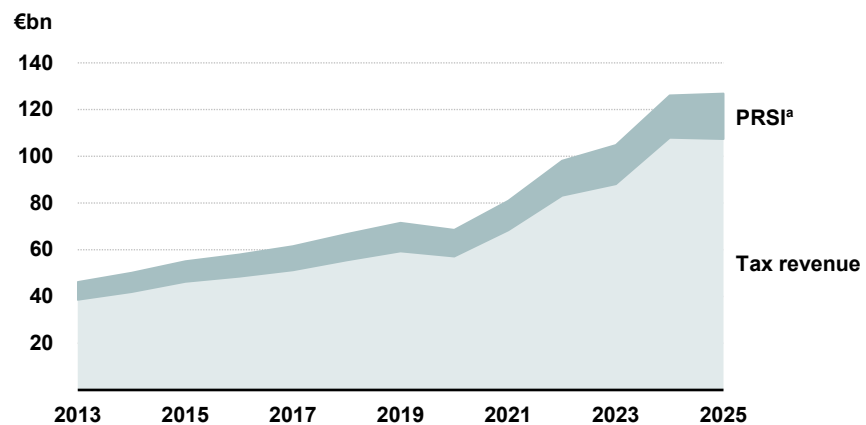
Note: ^a Includes the Department of Education and Youth (€12.2 billion) and the Department of Further and Higher Education, Research, Innovation and Science (€3.6 billion).

Exchequer receipts

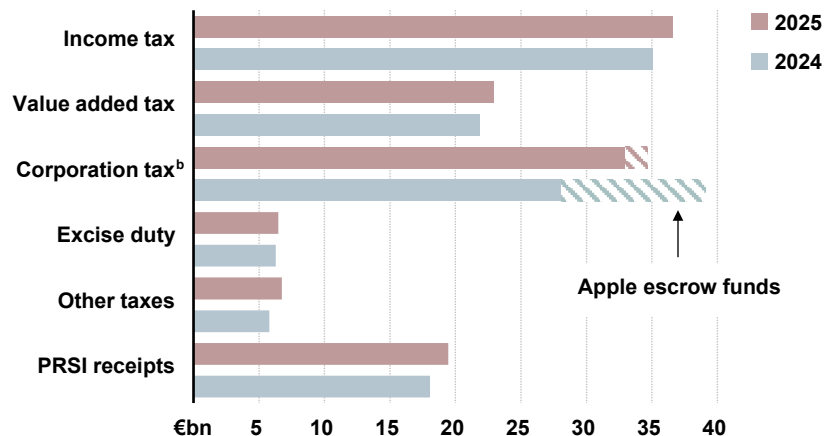
Tax receipts

- 1.6** Tax receipts in 2025 were €107.4 billion, marginally lower (<1%) than in 2024. Corporation tax receipts were lower (11%), while there were increases in income tax (4%), VAT (5%), capital gains tax (25%) and capital acquisitions tax (31%) (see Figure 1.3).
- 1.7** Income tax receipts represent the State's largest income stream, making up 34% of the total tax receipts in 2025. Corporation tax receipts made up 32% of the tax receipts in 2025. However, receipts of the latter were distorted in 2024 and 2025 by the transfer to the Exchequer, via the Revenue account, of balances from the Apple escrow account.⁶ Apart from those receipts, corporation tax receipts in 2025 totalled €33 billion, up from just over €28 billion in 2024.

Figure 1.3 Tax revenue and PRSI receipts, 2013 – 2025



Year-on-year change by receipt type



⁶ See *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 and 2025 includes receipts from the winding up of the Apple escrow account.

Non-tax receipts***Non-tax balance of escrow fund***

- 1.8** While most of the balances in the Apple escrow account were received as corporation tax receipts, almost €1.6 billion was transferred directly to the Exchequer in 2025 from the Apple escrow fund on the direction of the Minister for Finance. This was the balance on the fund, prior to its cessation, following the settlement of the tax liabilities and the payment of fees and operational expenses.

National Asset Management Agency surplus income

- 1.9** In 2025, the National Asset Management Agency (NAMA) transferred €450 million in surplus cash to the Exchequer. Over the period 2020 to 2025, surplus cash transfers from NAMA to the Exchequer totalled €4.7 billion.⁷

Irish Bank Resolution Corporation surplus

- 1.10** The Exchequer received €360 million surplus cash in 2025 from the liquidation of the Irish Bank Resolution Corporation (IBRC). The special liquidators continue to progress completion of the liquidation process.

Proceeds from disposal of the State's interest in AIB

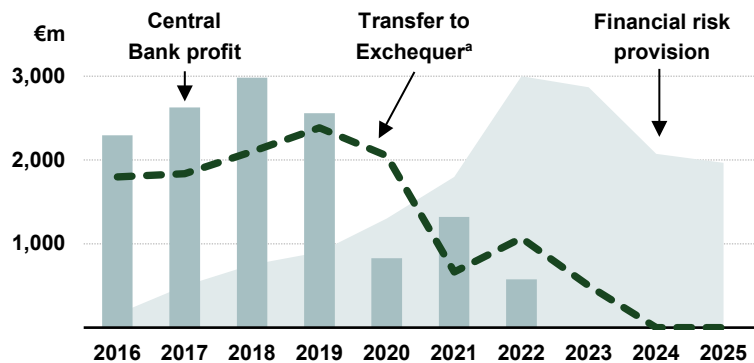
- 1.11** By June 2025, the Ireland Strategic Investment Fund (ISIF) had completed the sale of the State's remaining shareholding in AIB, realising €2.687 billion. The State no longer retains any ownership interest in the bank. Amounts totalling €1.264 billion from the proceeds of the sale were transferred in 2025 from the ISIF to the Exchequer on the direction of the Minister for Finance.
- 1.12** Undistributed proceeds from the sale of the State's shareholding were held in the directed portfolio of the ISIF at end 2025. The funds in that portfolio are being managed by the NTMA under direction from the Minister for Finance.
- 1.13** Consideration of €390 million was also received into the Central Fund in 2025 from AIB on cancellation of around 271 million warrants which had issued to the Minister for Finance as part of AIB's initial public offering in 2017. The warrants represented around 12.7% of AIB's total issued share capital at the point of cancellation. The cancellation of the warrants reflects Government policy of returning the banking sector to private ownership and represented the final transaction with AIB.

⁷ More details about NAMA's projected lifetime surplus are presented in Comptroller and Auditor General Special Report 120 [National Asset Management Agency: progress on achievement of objectives as at end 2024](#).

Central Bank of Ireland surplus

- 1.14** There is statutory provision for the transfer of at least 80% of the profits of the Central Bank of Ireland (CBI) to the Central Fund. The amount transferred each year is based on the CBI's surplus for the previous financial year as reported in its audited financial statements i.e. a one-year lag. There was no transfer to the Exchequer in 2025 as the CBI reported a breakeven position (nil profit or loss) for 2024. A similar situation occurred in the previous year.
- 1.15** In accordance with the Governing Council of the European Central Bank (ECB) guideline, the CBI has, since 2016, provided for financial risks to which it is exposed (such as interest rate risks).⁸ This provision increased significantly, from 2016, resulting in a reserve totalling €3 billion by end 2022.
- 1.16** Since 2023, the CBI has incurred annual losses due to an interest rate mismatch whereby interest paid on CBI liabilities increased at an accelerated pace compared to the interest earned on its assets. This has resulted in a net loss of €132 million in 2023, €795 million in 2024 and €105 million in 2025. These losses were covered by the financial risk reserve. The value of the provision remaining at end 2025 totalled almost €2 billion (see Figure 1.4).

Figure 1.4 Central Bank financial performance, 2016 – 2025



Source: Central Bank of Ireland financial statements 2016 to 2025. Finance Accounts 2016 to 2025.

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

8 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.

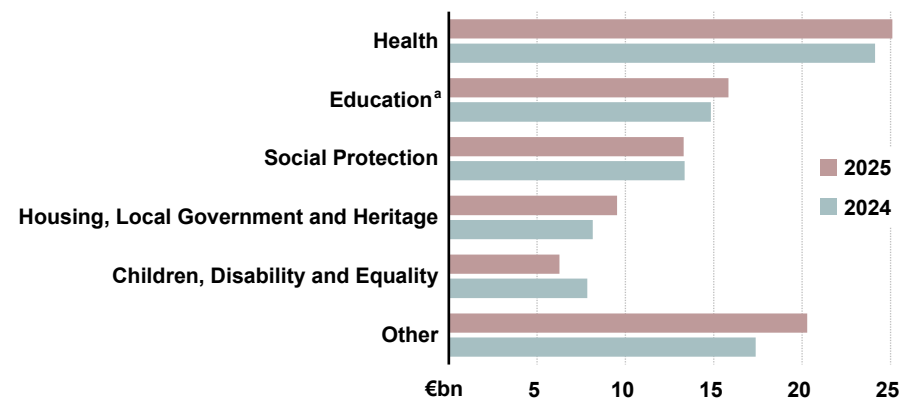
Central Fund issues

1.17 Issues from the Central Fund of the Exchequer increased in 2025 to €107.6 billion — up €9.2 billion or just over 9% on the prior year (€98.4 billion).

Voted issues

1.18 Issues for voted expenditure increased by over €5 billion (6%) to €90.7 billion. The Health, Education and Social Protection Votes accounted for 60% of the issues (see Figure 1.5).

Figure 1.5 Issues for voted departmental expenditure, 2024 and 2025



Source: Finance Accounts 2024 and 2025
Note: a This combines Vote 26 Education and Youth and Vote 45 Further and Higher Education, Research, Innovation and Science.

Capital contribution to Uisce Éireann

1.19 Under section 37 of the [Water Services \(No.2\) Act 2013](#), the Minister for Finance can provide money from the Central Fund to Uisce Éireann. In November 2024, the Government approved the allocation of up to €1 billion from the Central Fund towards Uisce Éireann’s *Strategic Funding Plan 2025 – 2029*. A capital contribution of €514 million was provided to Uisce Éireann on 25 July 2025.

1.20 The capital contribution in 2025 was in addition to loans totalling €998 million issued to Uisce Éireann from the Central Fund over the period 2020 to 2024. The loans were to allow Uisce Éireann to repay existing non-domestic commercial debt and to fund its future non-domestic water borrowing requirements (see Annex 1B, Figure 1B.3).

Capital contribution to the Electricity Supply Board

1.21 The Government agreed on 29 October 2025, subject to enactment of enabling legislation, that the Minister for Finance would provide up to €1.5 billion in funding from the Central Fund for the purchase of capital stock in the Electricity Supply Board (ESB).⁹ The funding is to support investment in the national grid infrastructure.

1.22 In December 2025, a payment of €1.5 billion was made to the ESB from the Central Fund.¹⁰

9 The [Electricity \(Supply\) \(Amendment\) Act 2025](#) was enacted in November 2025 (see section 3).

10 The expense of the investment is recorded in statement 1.10 Capital: other non-voted expenditure of the [Finance Accounts 2025](#).

The Future Ireland Fund and the Infrastructure, Climate and Nature Fund

- 1.23** The Future Ireland Fund and the Infrastructure Climate and Nature Fund (ICNF) were both established in July 2024. Ownership of the funds is vested in the Minister for Finance, and both funds are managed by the NTMA. In 2025, Exchequer transfers to the funds totalled just under €6.1 billion — €4.1 billion to the Future Ireland Fund and €2 billion to the ICNF.¹¹

European Guarantee Fund

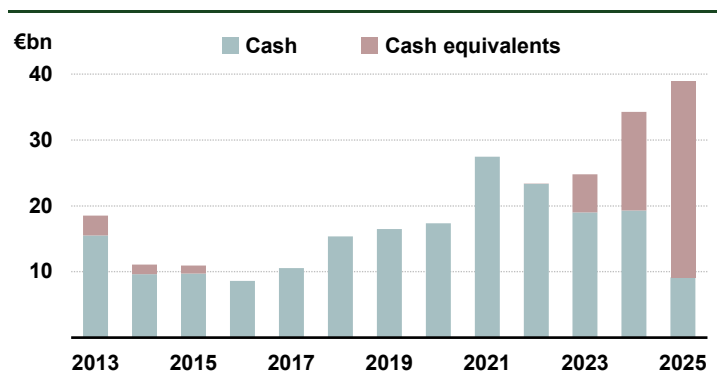
- 1.24** The European Guarantee Fund (EGF) was set up to help businesses recover from the economic shock of Covid-19. Contributions to the EGF take the form of guarantees provided by member states pro-rata their shareholding in the European Investment Bank (EIB). On establishment of the EGF in 2020, Ireland assumed a contingent liability of €164.7 million i.e. Ireland's maximum exposure to bad debts incurred by the EGF. The current exposure limit is €84 million. Almost €7.1 million has been paid to end 2025 under the EGF, of which €3.6 million was paid out of the Central Fund in 2025. Payments have more than trebled since 2023.

Exchequer assets

Cash and cash equivalents

- 1.25** At end 2025, cash held directly by the Exchequer totalled €9.1 billion — a reduction of over €10 billion (53%) on 2024 and the lowest year-end level since 2016 (€8.4 billion).
- 1.26** However, the Exchequer also had assets in 'cash-equivalent' form amounting to €29.8 billion at end 2025 — an increase of about €15 billion on 2024 (see Figure 1.6). Amounts totalling €26.3 billion were invested in treasury bills issued by other European sovereign and supranational agencies, and €3.5 billion was held in short-term cash advances to other European states' debt offices.

Figure 1.6 Central Fund cash and cash equivalents at year-end, 2013 – 2025^a



Source: Financial statements of the National Debt of Ireland, 2013 to 2025, National Treasury Management Agency

Note: a 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.

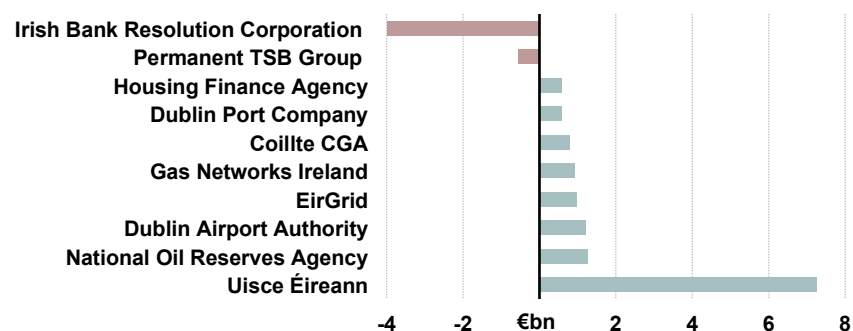
¹¹ See also *Report on the Accounts of the Public Services 2025*, chapter 3, [Accounts of the National Treasury Management Agency](#).

- 1.27** In the ten-year period from 2016 to 2025, amounts held in cash and cash equivalents have more than quadrupled increasing from around €9 billion at end 2016 to almost €39 billion at end 2025.

Shareholdings in State bodies and companies

- 1.28** 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 equity interest in many entities, only some of which are disclosed in the Finance Accounts. Those disclosed include Coillte CGA, Uisce Éireann, Gas Networks Ireland, Eirgrid and the Dublin Airport Authority.
- 1.29** For 2025, shareholdings in 25 State and private companies are disclosed in the Finance Accounts.¹² The State's interest in these companies is recorded at historic cost and at 31 December 2025 totalled €8.1 billion.
- 1.30** The net asset value (NAV) of the shares is not disclosed.¹³ Figure 1.7 illustrates the difference between the NAV and the historic cost of the State's equity interest for the ten companies with the highest value differences. The total NAV for those ten companies at 31 December 2025 — or at the latest date for which published financial information is available — was €16.7 billion, and the historic cost was €7.7 billion, a net difference of €9 billion.
- 1.31** The payment of €1.5 billion to the ESB from the Central Fund in December 2025 is not recorded in the statement on share capital acquired in Irish companies, even though shares in the ESB were ultimately acquired by the payment. The ESB issued capital stock valued at €1.35 billion to the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (Minister for Public Expenditure); and stock valued at €150 million to the Minister for Climate, Energy and the Environment.

Figure 1.7 Movement in net asset value of share capital to historic cost, at end 2025^a



¹² See statement 1.8(A) of the [Finance Accounts 2025](#).

¹³ Net asset value, or NAV, is the value of a company's assets minus its liabilities.

Source: Published financial statements and Department of Finance. Analysis by the Office of the Comptroller and Auditor General.

Note: a NAV taken from 2025 audited financial statements except for the Dublin Port Company and the Housing Finance Agency whose latest publicly available financial statements are for 2024. The NAV for the Irish Bank Resolution Corporation (IBRC) is the estimated realisable value of the remaining assets at 31 December 2025 as provided by the Department of Finance.

Funding of the Land Development Agency

- 1.32** The primary function of the Land Development Agency (the Agency) 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.
- 1.33** The [Land Development Agency Act 2021](#) (the Act) provides for the Minister for Housing, Local Government and Heritage (Minister for Housing) and the Minister for Public Expenditure to be the sole shareholders in the Agency. The Minister for Finance, following a formal request from the Minister for Housing, may direct the allocation of funding from the ISIF (managed by the NTMA) either as loans to the Agency or to pay for shares issued to the shareholder ministers. The total ISIF funding (loans or equity) available to the Agency is capped by legislation at €3.75 billion.¹⁴
- 1.34** Between January 2025 and January 2026, a total of €1 billion issued from the ISIF to the Agency. This brought the total funding issued to the Agency to €2.25 billion. All the issues have been in the form of equity investments.
- 1.35** In 2025, NAMA transferred assets with a total value of €424.5 million to the Agency. The assets comprised National Asset Residential Property Services DAC (NARPS) — a NAMA subsidiary company with a net asset value of €356 million — and other property assets valued at €68.5 million. The assets were transferred in exchange for an issuance of shares by the Agency to the Minister for Public Expenditure.
- 1.36** The State's investment in shares of the Agency is not disclosed in the Finance Accounts. Also, the equity investments are not recognised in the accounts for 2025 of the shareholding ministers.

Shareholdings in international bodies

- 1.37** Shareholdings in 12 international bodies are disclosed in the Finance Accounts.¹⁵ The State's interest in these international bodies is recorded at historic cost and at 31 December 2025 totalled almost €1.7 billion.
- 1.38** The majority of the State's shareholdings in international bodies at 31 December 2025 is Ireland's contribution of €1.27 billion to the European Stability Mechanism.
- 1.39** Investments in 2025 included the acquisition of shares in the African Development Bank (€11 million), the Council of Europe Development Bank (€2.6 million) and the European Bank for Reconstruction and Development (€2.4 million).

¹⁴ In November 2025, the Government committed to providing additional equity capital of €2.5 billion to the Agency. However, this will require enabling legislation.

¹⁵ See statement 1.8(B) of the [Finance Accounts 2025](#).

Sundry Moneys Account

- 1.40** The Sundry Moneys Account is a temporary holding account that records transactions and balances that usually are received into the Central Fund but that are held back until proper and sufficient instructions are received to allow final disposal of the funds.¹⁶ 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.
- 1.41** Receipts into the account in 2025 totalled almost €717 million, while transfers from the account to the Central Fund amounted to over €670 million.
- 1.42** The balance held in the account at the end of 2025 was almost €87 million, most (94%) of which had been received only in the previous 20 days.

Exchequer liabilities

National debt

- 1.43** Ireland's national debt decreased by 0.2% (€0.4 billion) in 2025 to €232.2 billion at the year-end (see Figure 1.8).¹⁷
- 1.44** Over 78% (€182.4 billion) of the national debt at end 2025 was in the form of medium and long-term borrowing. This comprised mainly government bonds (fixed rate, amortising and inflation linked) and EU programme loan balances due to the European Financial Stability Facility and the European Financial Stabilisation Mechanism. (€2.4 billion was repaid to the latter in 2025.)
- 1.45** Debt arising from the various State savings schemes accounted for €19.4 billion, or around 8% of the national debt at end 2025.
- 1.46** Short-term debt accounted for €30.4 billion of the national debt at end 2025. This comprised 'short-term paper' of €24.6 billion (an increase of around 27% on the prior year), borrowings from the Post Office Savings Bank Fund of €3.7 billion and €2.1 billion of surplus funds held in the supply account of the Paymaster General.^{18,19}
- 1.47** €24.4 billion of the short-term paper in issue at end 2025 represented borrowing of surplus moneys held by public bodies and funds. This comprised €23 billion borrowed from central government bodies and funds, €1.1 billion borrowed from local authorities and the balance borrowed from other public sector bodies.

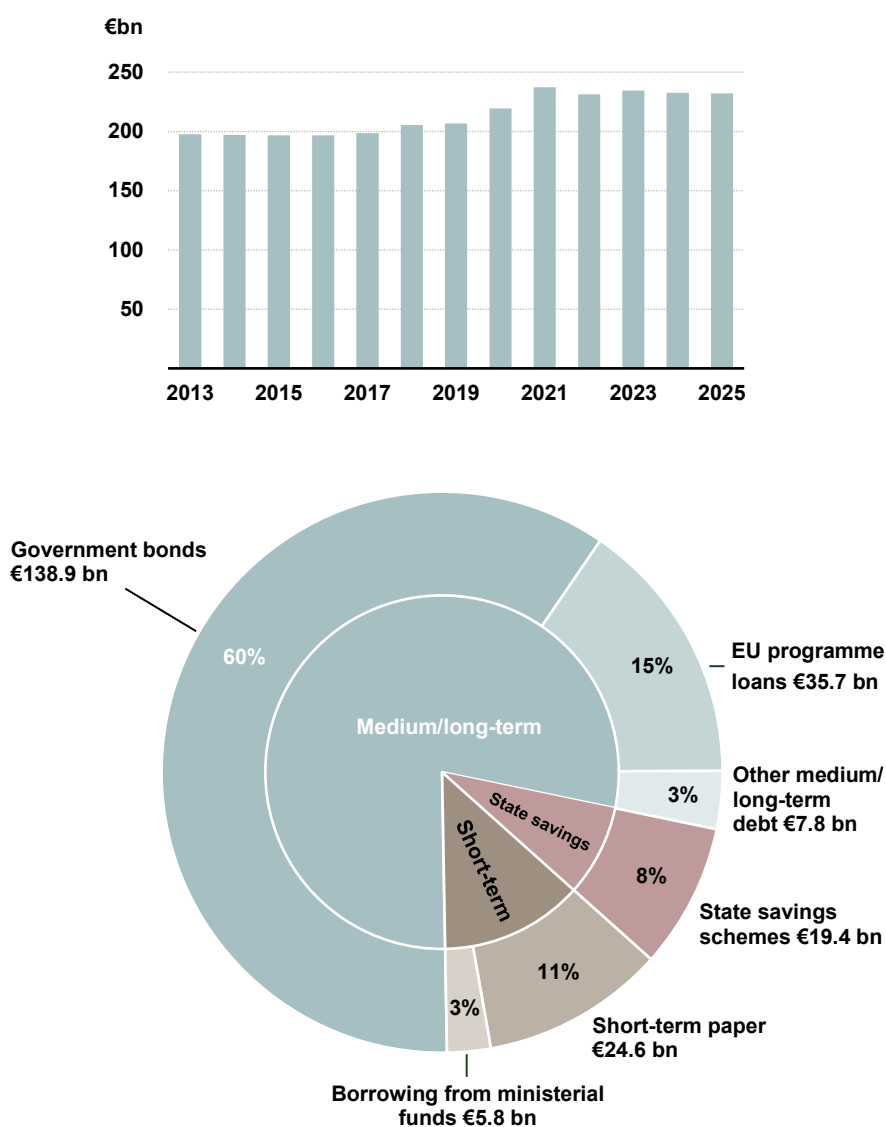
16 The Sundry Moneys Account is managed by the Department of Finance and is accounted for in part three of the Finance Accounts.

17 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.

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

19 The Surplus Public Expenditure Moneys (SPEM) account records the borrowings and repayments of surplus funds held in the supply account of the Paymaster General.

Figure 1.8 National debt at redeemable par values 2013 – 2025 and by source at end 2025



Source: Financial statements of the National Debt of Ireland 2025, National Treasury Management Agency

General government debt target

1.48 General government debt (GGD) is a more comprehensive measure of State indebtedness than national debt and is the standardised measure which all EU member states are legally obliged to report under the Maastricht Treaty.²⁰

1.49 At end 2025, Ireland's GGD totalled €209.9 billion. The difference of around €22.3 billion between national debt and GGD is primarily due to

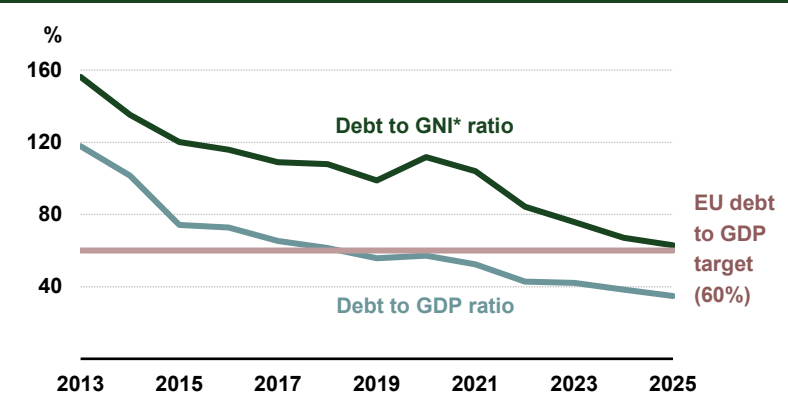
- the inclusion of borrowings of other government bodies such as non-commercial State-owned bodies and extra-budgetary funds
- the addition of any local government borrowing from outside the government sector
- the netting (on consolidation) of State debt securities (e.g. Exchequer notes) held by other government bodies.²¹

20 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.

21 An Exchequer note has a minimum denomination of €5 million and a maximum tenure of one year.

- 1.50** 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.²² Due to continuing strong GDP growth over many years, Ireland's GGD ratio had reduced to 34.8% by end 2025 (see Figure 1.9).²³
- 1.51** An indicator based on gross national income, referred to as GNI*, has been designed specifically to measure the size of the Irish economy excluding distorting globalisation effects.²⁴ At end 2025, the GGD to GNI* ratio was 62.9% (67% in 2024).²⁵ No formal target has been set for the value of the debt ratio based on GNI*.

Figure 1.9 Ireland's debt to GDP and debt to GNI* ratios, 2013 – 2025 (percentage)^a



Source: Central Statistics Office (General government debt — Government Finance Statistics, April 2026; GDP and GNI* — Annual National Accounts, July 2026) and Department of Finance

Note: a In October 2025, the GGD for the years 2017 to 2024 was revised downwards following a review of the recording of the Capital Advance Leasing Facility (CALF). The review established that funding issued under the CALF is via a loan from central government to local authorities who then on-lend to approved housing bodies and is not accessed from the private sector. See [Central Statistics Office, Government Finance Statistics \(Table 1.1\)](#).

22 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.

23 GDP based on Annual National Accounts 2025, as published by the CSO in July 2026.

24 GNI* is generally referred to as 'GNI star'. It was designed by the Economic Statistics Review Group (ESRG) established by the CSO in September 2016. The ESRG was tasked with developing recommendations and providing guidance on broadening the suite of domestic economic indicators to supplement international economic measures.

25 The debt to GNI* ratio for 2024 was initially reported at 68%. This was subsequently revised to 67%, as published by the CSO in July 2026.

Public private partnerships

- 1.52** 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.
- 1.53** PPPs are typically regarded as an 'off-balance sheet' funding mechanism 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 e.g. tolled roads.

- 1.54** Future commitments under PPP projects are tracked by the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (Department of Public Expenditure). At end 2025, 31 PPP schemes were fully operational, one was partially delivered and two were at development stage. At that date, future PPP commitments totalled €6.59 billion (2024: €6.25 billion) (see Figure 1.10). The increase in commitments during 2025 was largely attributable to the inclusion of the Community Nursing Units PPP Bundle.²⁶
- 1.55** Expenditure on PPP unitary payments totalled around €340 million in 2025 (2024: €308 million). Under current contracts, the Exchequer is committed to making payments totalling on average around €386 million a year until 2035.²⁷ Thereafter, payments will taper off as the older contracts reach completion.
- 1.56** In June 2025, a PPP contract was signed for the Higher Education Bundle 2.²⁸ The commitments relating to this PPP project are not included in the total commitments (of €6.59 billion) at end 2025 as PPP commitments are not recognised until unitary payments commence.²⁹
- 1.57** Also in June 2025, the Department of Housing, Local Government and Heritage decided not to proceed with a PPP contract for Social Housing Bundle 3 (486 units) on the basis that the Department considered the overall costs for the project to be too high.³⁰ The Department has also discontinued planned PPP procurements for the delivery of Social Housing Bundles 4, 5, 6 and 7 (a combined 2,981 units). The development of the sites earmarked for the PPP social housing bundles are now being progressed by the respective local authorities using traditional procurement methods.

26 The Community Nursing Units PPP Bundle relates to the construction of residential care facilities for older persons at seven sites. By end 2025, units at four of the sites — Athlone, Ardee, Midleton and Killarney — had been delivered but were not yet in use.

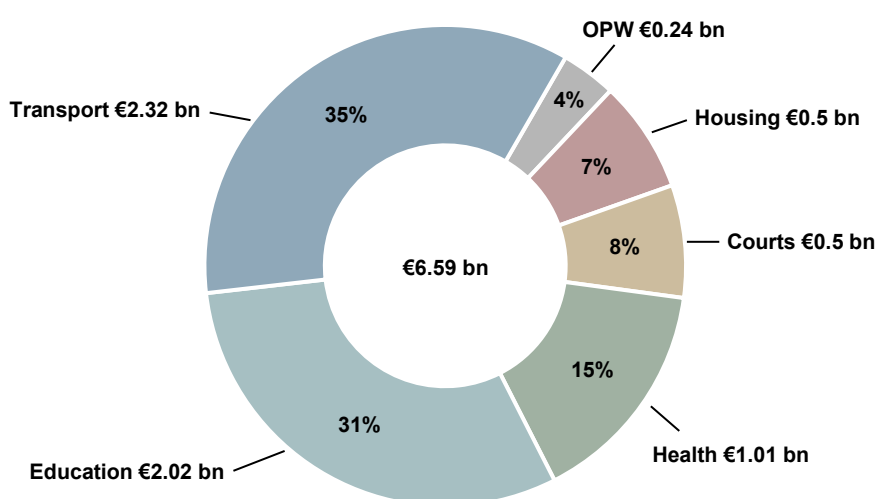
27 Aggregate annual repayment levels in this period could increase under new PPP contracts entered into.

28 This PPP covers five projects, four of which are scheduled to conclude in 2027 and the final project in 2028.

29 [Circular 4/2007 Accounting for Public Private Partnerships \(PPP\) Projects in the 2007 and subsequent years' Appropriation Accounts](#).

30 See also *Report on the Accounts of the Public Services 2025*, chapter 22, [Cancellation of a social housing PPP procurement](#).

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



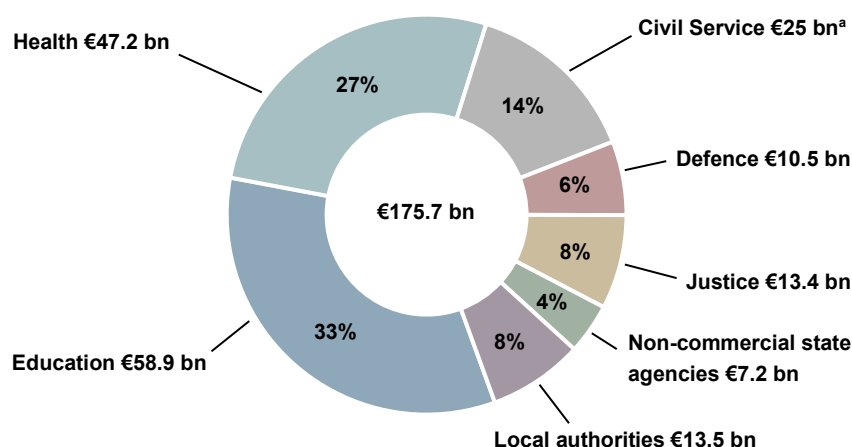
Source: Department of Public Expenditure. Any apparent differences in totals are due to rounding.

Accrued pension liability for public service employees

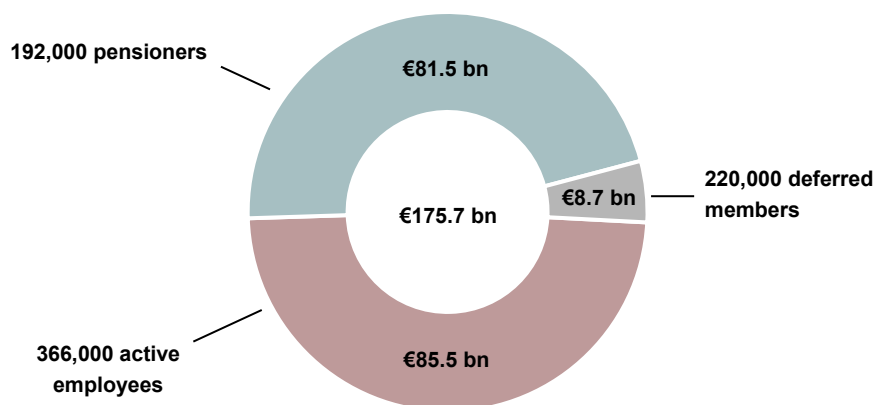
- 1.58** Public service occupational pension schemes are unfunded and operate on a 'pay-as-you-go' basis. Liabilities for these schemes are not included in the calculation of the GGD.

- 1.59** The Central Statistics Office (CSO) is required, under EU regulations, to report triennially on the State's accrued liabilities for public service pension schemes.³¹ The most recent actuarial review of the State's 'accrued-to-date' liability (ADL) for public service pensions was carried out as at 31 December 2021.³² A review of the State's liability as at 31 December 2024 is ongoing and is expected to be completed in Q4 2026.
- 1.60** The ADL is a point-in-time estimate and represents the present value of all future expected superannuation benefits arising from accrued service up to the point of calculation. It includes contingent benefits payable to qualifying dependents of current and former public service employees. It does not consider future pension entitlements likely to be accumulated.
- 1.61** The State's estimated ADL for public service occupational pension schemes as at 31 December 2021 was €175.7 billion or 41.5% of GDP as at that date (see Figure 1.11).³³ This estimate covered about 366,000 full-time equivalent employees in the public service, around 192,000 pensioners and an estimated 220,000 individuals with deferred pension benefits. The previous actuarial review (as at 31 December 2018) estimated the ADL at €149.6 billion.³⁴

Figure 1.11 Accrued-to-date pension liability by sector, 31 December 2021



Accrued to date pension liability by member category



³¹ Regulation (EU) 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (article 3).

³² The *Actuarial Review of Public Service Occupational Pensions in Ireland* was carried out by the Department of Public Expenditure on behalf of the CSO.

³³ Equivalent to 54.7% of GNI* in 2021.

³⁴ €15.8 billion (60%) of the increase in ADL between 2018 and 2021 was due to changes in assumptions, while the balance (of €10.3 billion) was largely attributed to membership changes and an increase in the present value of pension obligations from moving closer to realisation.

Source: Department of Public Expenditure *Actuarial Review of Public Service Occupational Pensions in Ireland* (2024) as at 31 December 2021

Note: a Also includes constitutional, ministerial and judicial office holders.

- 1.62** Three sectors accounted for 74% of the ADL as at 31 December 2021 — Education (33%), Health (27%) and the Civil Service (14%).
- 1.63** The ADL approach provides a useful indicator of the State's public service pensions liability falling due for payment over a period of approximately 70 years. However, it has limitations as an indicator of the fiscal sustainability of the public service pension system since it takes account of accrued pension rights to the date of valuation only (closed system valuation) and does not take account of member contributions.
- 1.64** The end-2021 actuarial review report noted that while the data underpinning the ADL was of a higher quality than that used in previous actuarial reviews, information was not received from all public sector bodies and/or was incomplete. The report recommended that steps be taken at a sectoral level to improve the quality of data, including the storage of records in an electronic and centralised format. The Department of Public Expenditure has stated that stricter data validation requirements have been applied to the data collection for the ongoing year-end 2024 valuation, with a view to improving data quality.

Reporting Ireland's EU transactions

- 1.65** Since 2020, the Department of Finance has published an annual report 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, as this information is not otherwise readily available.
- 1.66** The Department published its report on Ireland's 2024 transactions with the EU in August 2026.³⁵

³⁵ [Annual Report on Ireland's transactions with the EU in 2024](#).

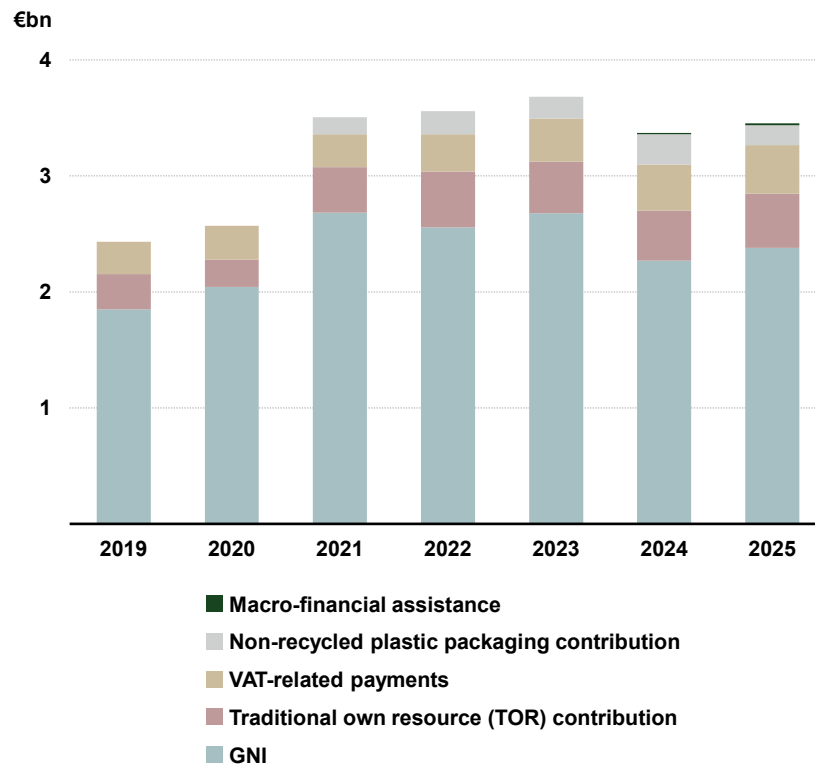
³⁶ Excludes funding recovered by the EU and fines imposed by the EU.

³⁷ 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. The call rate varies from year to year.

³⁸ The €2.4 billion GNI 'own resource' payment includes Ireland's contribution to the EU GNI-based correction mechanism. This is a mechanism used to address the concerns of some net contributor member states. The correction mechanism allows for a rebate to be made to those countries.

Ireland's contribution to the EU

- 1.67** In 2025, Ireland contributed €3.5 billion to the EU budget (see Figure 1.12).³⁶ The contribution comprises the following elements
- GNI 'own resource' contribution of €2.4 billion — based on the level of income as defined by gross national income (GNI) of a member state^{37,38}
 - 'traditional own resource' (TOR) contribution of €467 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 €419 million — 0.3% on Ireland's VAT base
 - a contribution based on the weight of Ireland's non-recycled plastic packaging amounting to €171 million
 - macro-financial assistance totalling €16 million — a contribution introduced from 2024 to support the provision of loans to Ukraine.

Figure 1.12 Ireland's contribution to the EU budget, 2019 – 2025

Source: Finance Accounts 2019 to 2025

Macro-financial assistance contribution

- 1.68** In 2023, the EU provided €18 billion in macro-financial assistance (MFA) loans to Ukraine.³⁹ 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.
- 1.69** The MFA support provided to Ukraine includes interest rate subsidies. These are covered to the extent possible from the EU budget and, where such budget funds are insufficient, directly by member states.
- 1.70** The [Finance \(State Guarantees, International Financial Institution Funds and Miscellaneous Provisions\) Act 2024](#) provides a legal basis for a contribution agreement between Ireland and the EU along with the interest subsidy payments. That Act also caps Ireland's contribution over the lifetime of the current multiannual financial framework (2021 to 2027) at €63.6 million.
- 1.71** In 2025, Ireland paid a total of €16.2 million (2024: €10.2 million) from the Central Fund for its share of the interest rate subsidy on the MFA support to Ukraine.⁴⁰

³⁹ In accordance with [Regulation \(EU\) 2022/2463](#) of the European Parliament and of the Council.

⁴⁰ The amount paid in 2025 includes the Q4 2024 contribution of around €3 million.

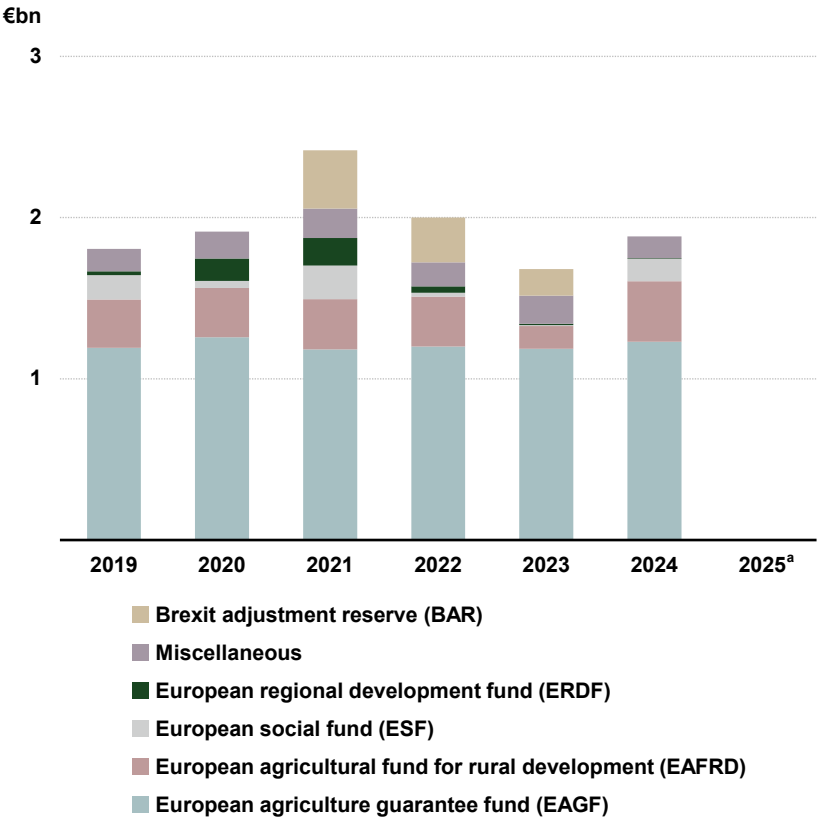
Contribution corrections

1.72 Ireland has certain treaty-based opt-outs from European Union initiatives. For example, Ireland does not participate in the Border Management and Visa Instrument (BMVI) and is not a member of the European Public Prosecutor’s Office (EPPO), both of which are funded from the EU budget.⁴¹ As a result, Ireland receives an adjustment to its annual contributions. Around €36 million was refunded to Ireland by way of reducing Ireland’s contributions in December 2025.

Ireland’s receipts from the EU budget

1.73 Ireland received an estimated €1.88 billion from the EU in 2024 (see Figure 1.13).

Figure 1.13 Sources of Ireland’s receipts from the EU budget, 2019 – 2025



41 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](#).

Source: Department of Finance
 Note: a Figures for the 2025 receipts were not available at the time of publication.

Recovery and Resilience Facility

- 1.74** 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.⁴²
- 1.75** 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 for completion by August 2026.
- 1.76** Ireland's NRRP was approved by the EU Council in September 2021.⁴³ The Department of Public Expenditure is responsible for overseeing its implementation. The plan outlined measures valued at just under €1 billion in total. Ireland was allocated RRF grant funding totalling €914 million, with drawdown of the funding contingent on Ireland achieving specified milestones and targets.
- 1.77** In 2024, the EU allocated a further €240 million in grant funding to Ireland for REPowerEU projects as part of the NRRP.^{44,45} This increased the allocation for Ireland's NRRP to €1.15 billion.
- 1.78** There have been seven sets of amendments to Ireland's NRRP since its approval in 2021. The Department of Public Expenditure stated that the amendments were made to maximise Ireland's financial drawdown and to ensure delivery within the permitted RRF timelines. Three projects were removed from the NRRP due to circumstances that rendered the projects no longer achievable.
- 1.79** Drawdown of the RRF grant is in instalments. Between September 2023 and February 2026, the Department of Public Expenditure submitted four RRF payment requests to the EU totalling €929 million (81% of the available allocation). By May 2026, Ireland had received payment of the full €929 million.
- 1.80** A request for the final balance of Ireland's allocation (19%) is expected to be made in September 2026 with payment expected by end 2026.
- 1.81** The European Commission undertakes periodic audits of work/projects associated with Ireland's NRRP. In 2022, a systems audit was carried out.⁴⁶ In March 2026, the European Commission confirmed that all of the audit's recommendations had been implemented by Ireland.
- 1.82** Two other European Commission audits are ongoing — an audit of compliance with public procurement and State aid rules under RRP measures, and an audit to obtain reasonable assurance on the satisfactory achievement of the target NRRP milestones declared by Ireland to the European Commission.

42 The RRF was established by [Regulation \(EU\) 2021/241](#), which came into force on 19 February 2021.

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

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

45 The REPowerEU funding includes €150 million transferred from EU Brexit Adjustment Reserve funding unused by Ireland.

46 The main objective of this type of audit is to assess member states' internal control systems including their capacity to be able to prevent, detect and correct cases of conflict of interest, fraud, corruption and double funding.

Annex 1A Central Statistics Office government finance statistics

The EU 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 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 balance

Table 1.3 — reconciliation of exchequer balance to general government balance

Table 1.4 — reconciliation of national debt to general government debt

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, 2020 – 2025^a

	2020 €m	2021 €m	2022 €m	2023 €m	2024 €m	2025 €m
Receipts						
<i>Current receipts</i>						
Tax revenue	57,165	68,410	83,130	88,117	108,025	107,397
Central Bank surplus income ^b	2,050	666	1,068	500	—	—
National Lottery receipts	270	290	258	241	238	241
Dividends from State bodies	133	152	199	419	290	431
NAMA surplus income	2,000	1,000	500	350	400	450
IBRC surplus	—	—	—	35	75	360
Other current revenues	197	422	413	666	562	2,110 ^c
<i>Capital receipts</i>						
Loans advanced/repaid ^d	1,680	10,382	3,474	880	1,187	1,650
Transfer from reserves ^e	1,500	—	—	—	—	—
Receipts from EU	25	645	277	183	354	363
Other capital receipts	8	274	1,455	805	70	1,702 ^f
Total receipts	65,028	82,240	90,774	92,197	111,201	114,704
Issues						
Issues for voted expenditure	67,849	71,579	72,840	78,385	85,659	90,749
Service of national debt	4,676	3,745	3,841	3,309	3,138	3,123
Contribution to EU budget	2,569	3,507	3,557	3,684	3,369	3,454
Oireachtas Commission	132	133	137	152	165	184
Loans/advances ^d	1,523	10,264	3,050	1,018	1,500	1,689
Uisce Éireann (shares, capital contributions and loans) ^d	372	130	112	201	184	514
Transfer to reserves ^e	—	—	2,000	4,000	4,050	6,080
ESB (capital contribution)	—	—	—	—	—	1,500
Other payments	224	255	251	269	381	311
Total issues	77,345	89,612	85,788	91,019	98,446	107,604
Surplus/(deficit) for the year	(12,317)	(7,372)	4,985	1,178	12,755	7,100

Source: Finance Accounts 2020 to 2025. 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 is based on the Central Bank of Ireland's surplus for the previous financial year, as per its audited financial statements. As the bank reported a nil profit/loss for 2023 and 2024, there were no transfers to the Exchequer in 2024 and 2025.
 - c This includes €1.567 billion in interest and gains, being the balance remaining on the Apple escrow fund after all fees and operational expenses associated with the fund were paid.
 - d See Figure 1B.3 for further details.
 - e On 8 November 2024, the Future Ireland Fund and the Infrastructure, Climate and Nature Fund replaced the National Surplus (Exceptional Contingencies) Reserve Fund.
 - f This includes €1.264 billion, part-proceeds from the sale of the State's shareholding in AIB. It also includes €390 million from the cancellation of AIB warrants in 2025.

Figure 1B.2 Movements in Exchequer cash and financial asset balances, 2020 – 2025

	2020	2021	2022	2023	2024	2025
	€m	€m	€m	€m	€m	€m
Movement in year						
Balance at 1 January	18,536	19,200	29,149	26,351	28,911	39,567
Net Exchequer borrowing/(repayment) in year	12,981	17,321	(7,783)	1,382	(2,100)	(696)
Exchequer surplus/(deficit)	(12,317)	(7,372)	4,985	1,178	12,756	7,103
Balance at 31 December	19,200	29,149	26,351	28,911	39,567	45,974
Composition of cash and financial assets at 31 December						
Central Fund cash balance	17,362	27,474	23,306	19,003	19,318	9,134 ^a
Cash deposits ^b	—	—	—	1,000	—	3,500
Treasury bills	—	—	25	4,768	14,949	26,265
Housing Finance Agency guaranteed notes	1,586	1,665	3,010	4,130	5,300	7,075
SBCI medium-term guaranteed notes ^c	—	10	10	10	—	—
Collateral funding	252	—	—	—	—	—
Balance at 31 December	19,200	29,149	26,351	28,911	39,567	45,974

Source: Finance Accounts 2020 to 2025. Any apparent differences in totals are due to rounding.

- Notes:
- a Includes a balance of €170,000 held in the Capital Services Redemption Account (2024: €155,000).
 - 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](#). SBCI's 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, 2020 – 2025

	2020	2021	2022	2023	2024	2025
	€m	€m	€m	€m	€m	€m
European Agricultural Guarantee Fund						
Opening balance	750	670	655	670	670	660
Repayments	(750)	(670)	(655)	(670)	(670)	(660)
Advances	670	655	670	670	660	660
Closing balance	670	655	670	670	660	660
Social Insurance Fund						
Opening balances	—	—	—	—	—	—
Advances	600	9,370	2,380	—	—	—
Repayments	(600)	(9,370)	(2,380)	—	—	—
Closing balance	—	—	—	—	—	—
EU stability to support Greece						
Opening balance	347	344	323	310	249	197
Repayments	(3)	(22)	(13)	(61)	(52)	(24)
Closing balance	344	323	310	249	197	173
Insurance Compensation Fund						
Opening balance	556	414	345	160	40	166
Adjustment/interest ^a	—	—	—	—	244	7
Repayments	(142)	(69)	(185)	(120)	(118)	(126)
Closing balance	414	345	160	40	166	47
Uisce Éireann						
Opening balance	—	372	502	613	814	998
Loans	372	130	112	201	184	—
Closing balance	372	502	614	814	998	998
Other loans and advances						
Opening balance	228	296	284	43	360	852
Loans issued	253	241	—	348 ^b	840 ^c	1,029 ^d
Repayments/loans conversion	(185)	(253)	(241)	(30) ^e	(348)	(840)
Closing balance	296	284	43	360	852	1,041
Total closing balance	2,096	2,109	1,797	2,134	2,873	2,919

Source: Finance Accounts 2020 to 2025. Any apparent differences in totals are due to rounding.

- Notes:
- a Prior to 2024, the reported balance on the fund did not include accrued interest receivable, which is capitalised. The 2024 closing balance includes accumulated capitalised interest of €244 million up to 31 December 2024.
 - b Advances to PMG Supply Account under the Appropriation Act 2022.
 - c Advances to PMG Supply Account under the Appropriation Act 2024.
 - d Advances to PMG Supply Account under the Appropriation Act 2025.
 - e Advances to An Post repaid.

2 Irish Fiscal Advisory Council

- 2.1** The Irish Fiscal Advisory Council (the 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 the Irish Fiscal Advisory Council

- 2.2** 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.¹ 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.
- 2.3** 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 2025.
- 2.4** The accounts of the Fiscal Council for 2025 have been audited, and the report on the audit was issued on 28 August 2026.
- 2.5** 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 2025 and of its income and expenditure for the year.

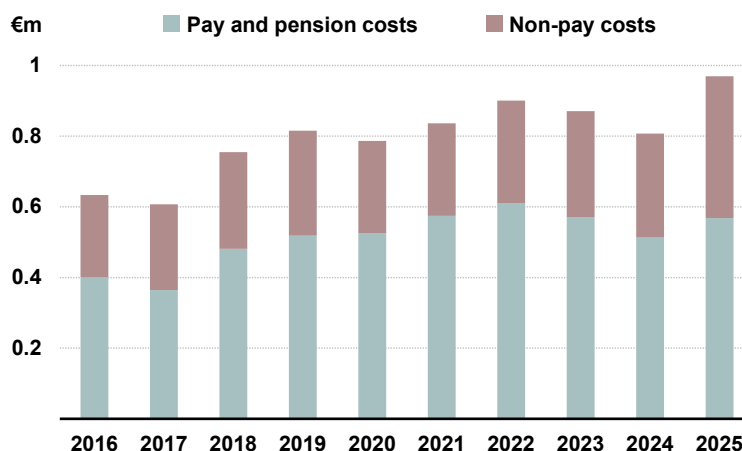
Financial results for 2025

- 2.6** The Fiscal Council's income for the year was €967,000 (2024: €812,000).
- 2.7** Current expenditure of the Fiscal Council totalled €970,000 in 2025 (2024: €807,000). Salary costs accounted for 49% of the expenditure in 2025. 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 other support services in 2025 totalled €119,000.
- 2.8** The Fiscal Council's expenditure increased by around 20% between 2024 and 2025 (see Figure 2.1), largely due to
- an increase in salary costs arising from filling a vacant role, the payment of increments and the application of increases under the public service pay agreement (€63,000)
 - an initial payment to the Organisation for Economic Co-operation and Development (OECD) in respect of its independent review of the operations of the Fiscal Council (€50,000)²
 - the full year cost of an agreed increase in the fee rate for the Chair of the Fiscal Council (€43,000).³

1 The Fiscal Council's financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 102.

2 The total cost to the Fiscal Council of the review is €70,000.

3 In 2024, the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation sanctioned a new per diem fee rate of €684 (for a maximum of 96 days per annum) for the Chair of the Fiscal Council. The new rate came into effect when the current Chair was appointed in August 2024. The previous fee rate for the Chair was €20,520 per annum.

Figure 2.1 Fiscal Council expenditure, 2016 – 2025

Source: Financial statements of the Irish Fiscal Advisory Council, 2016 – 2025

Funding ceiling

- 2.9** As provided for in the Act, the Fiscal Council is funded from the Central Fund of the Exchequer subject to an inflation-indexed annual cash ‘ceiling’ amount.⁴ The cash-based funding ceiling for 2025 was €984,000 (2024: €971,000) and funds of €881,000 (2024: €735,000) were drawn by the Fiscal Council in the year.⁵

Independent external review

- 2.10** In October 2025, in line with its strategic plan 2023 – 2025, the Fiscal Council commissioned the OECD to conduct an independent external review of its operations. The scope of the OECD review, which is currently ongoing, is to consider

- progress on implementing recommendations from a previous OECD review in 2021
- any new challenges faced by the Fiscal Council
- adjustments to support improvements in the performance and delivery of the Fiscal Council's remit
- actions that the Fiscal Council and others may take to deepen its impact.

⁴ Income and expenditure are determined under the accrual accounting convention, but the annual statutory funding ceiling is cash based.

⁵ Paragraph 9 of the schedule to the Act set the baseline level of funding 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 funding ceiling for any year.

3 Accounts of the National Treasury Management Agency

- 3.1** 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.
- 3.2** Following completion of the audits, 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.
- 3.3** 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 2025.

Accounts of the NTMA 2025

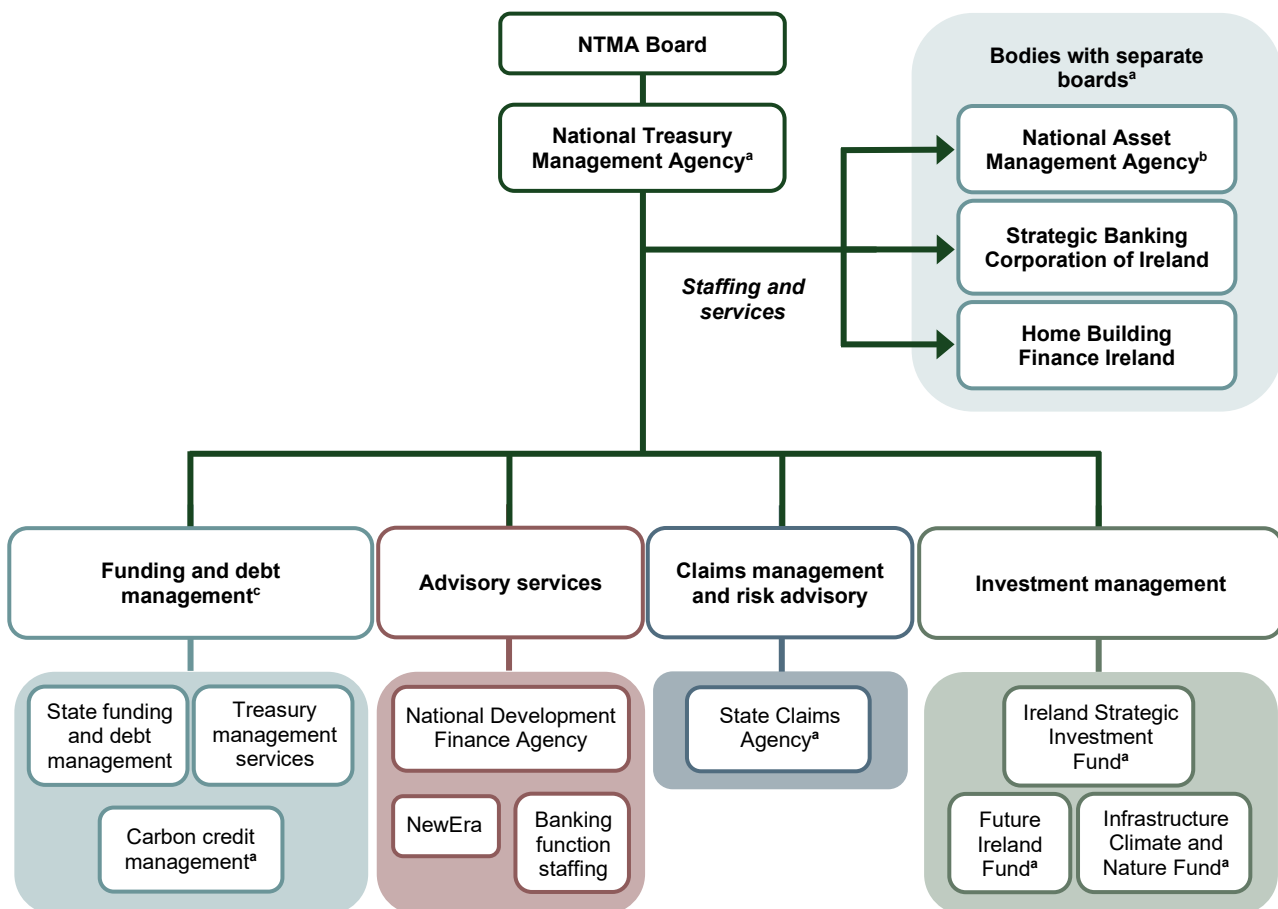
- 3.4** The accounts audited under section 12 of the 1990 Act are
- National Debt of Ireland
 - NTMA administration account
 - Post Office Savings Bank Fund
 - State Claims Agency
 - Ireland Strategic Investment Fund
 - Future Ireland Fund¹
 - Infrastructure, Climate and Nature Fund.¹
- 3.5** Separately, 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.
- 3.6** My reports on the audits of the 2025 accounts were issued on 29 April 2026.

¹ 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

- 3.7** 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 3.1).
- 3.8** At the end of 2025, NTMA staff numbers totalled 834 on a whole-time equivalent basis across the various functions and activities (see Figure 3.2 and Annex 3A).
- 3.9** In addition to its own operations, the NTMA assigns staff and provides business and support services on a cost-recovery basis to the National Asset Management Agency (NAMA), the Strategic Banking Corporation of Ireland and Home Building Finance Ireland. Each of the supported entities has its own board and is separately accountable to Dáil Éireann.
- 3.10** As provided by the National Treasury Management Agency (Miscellaneous Provisions) Act 2026, NAMA was formally dissolved on 1 August 2026. Responsibility for the residual activities of NAMA transferred to a Resolution Unit within the NTMA on its dissolution.

Figure 3.1 Functions of the National Treasury Management Agency

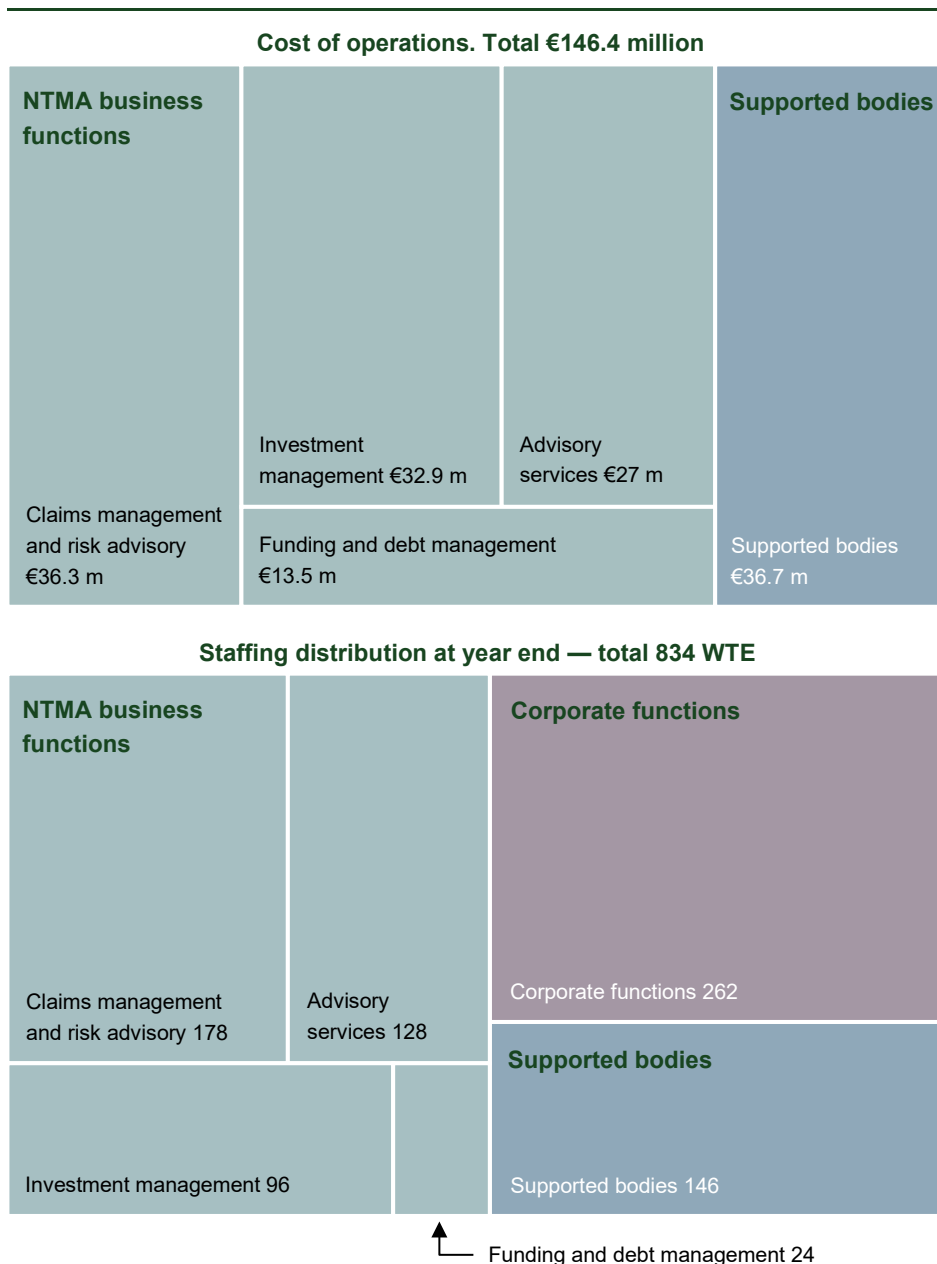


Source: National Treasury Management Agency

Notes: a Separate financial statements are prepared for the activities of each of these functions/entities.

b The board of NAMA was dissolved on 1 August 2026.

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 3.2 Cost of operations and staffing by business area, 2025

Source: National Treasury Management Agency. Any apparent differences in totals are due to rounding.

Performance-related pay

3.11 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
- individual proposed awards to members of the NTMA's executive management team.

Performance-related payment awards to employees below executive management team level are approved by the Chief Executive following review by a subcommittee of the executive management team.

3.12 The NTMA executive management team comprises

- the Chief Executive
- the Director of Funding and Debt Management
- the Director of the State Claims Agency
- the Director of the Ireland Strategic Investment Fund (ISIF)
- the Director of the Future Ireland Funds
- the Director of the National Development Finance Agency and NewERA²
- the Head of Banking (seconded to the Department of Finance)
- the Chief Financial and Operating Officer
- the Chief People Officer
- the Chief Legal Officer.

3.13 Performance-related payments in 2025 totalling €2.6 million (2024: €2.6 million) were made to 275 employees (2024: 271). Of this, €166,000 was paid to seven members of the executive management team (2024: €186,000 to seven members). The Chief Executive of the NTMA did not receive a performance-related payment in respect of 2025 or 2024.***Supported agencies*****3.14** Performance-related payments totalling €455,000 were awarded to NTMA staff members assigned to other agencies for 2025 as follows

- NAMA €69,000 (2024: €306,000)
- Strategic Banking Corporation of Ireland €195,000 (2024: €192,000)
- Home Building Finance Ireland €191,000 (2024: €137,000).

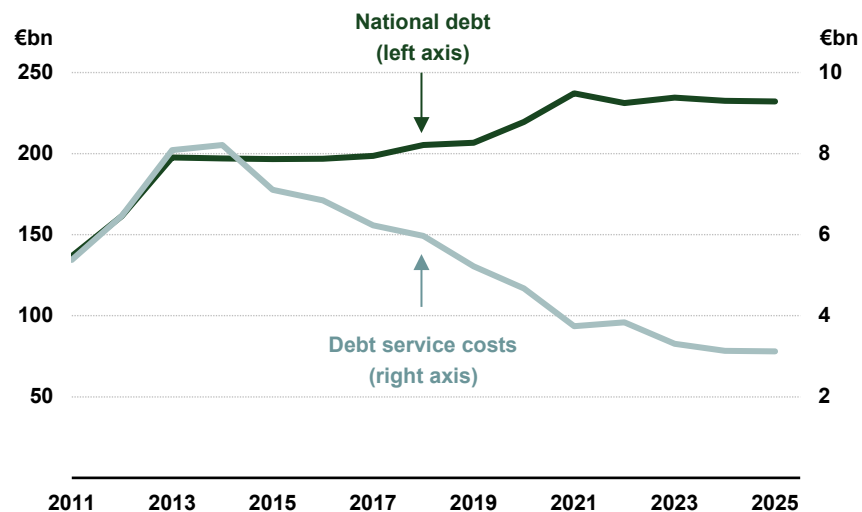
Banking system functions staffing**3.15** NTMA staff involved in the provision of banking system functions have been seconded to the Shareholding and Financial Advisory Division in the Department of Finance since August 2011. At the direction of the Minister, the related staff and professional advisor costs are met by the NTMA. Costs incurred by the NTMA in 2025 in relation to the Shareholding and Financial Advisory Division totalled €2.7 million (2024: €2.8 million).

² From 1 September 2026, there are separate roles of Director of the National Development Finance Agency and Director of NewERA.

National debt management

- 3.16** The NTMA's primary function is to borrow on behalf of the Minister and to manage Ireland's national debt, which is statutorily defined as "the debt outstanding for the time being of the Exchequer".³
- 3.17** At 31 December 2025, the national debt stood at €232.2 billion, almost unchanged from the level at the end of 2024 (see Figure 3.3).
- 3.18** Debt service costs in 2025 were €3,121 million (2024: €3,137 million) — a net decrease of €16 million (or about 0.5%).⁴
- 3.19** The Department of Finance has projected that increased borrowing combined with expected higher interest rates will result in general Government interest expenditure almost doubling to €6 billion in 2030, as compared to the cost in 2025.⁵

Figure 3.3 National debt and debt service costs, 2011 – 2025



Source: National Treasury Management Agency

Intra-government lending

- 3.20** Central government bodies and funds and local authorities routinely purchase 'short-term paper' (in the form of Exchequer notes and central treasury notes) from the NTMA as a means of managing cash balances they may have on hand which are not immediately required. This constitutes a significant part of the NTMA's short-term borrowing.
- 3.21** Short-term paper outstanding at the end of 2025 totalled €24.6 billion — up from €19.4 billion at end 2024 (see Figure 3.4).⁶ Almost all (€24.4 billion, or 99%) of the notes were issued in respect of borrowing from public bodies and funds, including €13.2 billion borrowed from the Social Insurance Fund and €6.1 billion borrowed from funds managed by the NTMA itself e.g. the ISIF.
- 3.22** The interest paid on short-term debt in 2025 totalled €458 million (2024: €618 million).

³ The national debt is defined by section 1 of the National Treasury Management Act, 1990 as the debt outstanding for the time being of the Exchequer. The NTMA refers to this as 'gross national debt'.

⁴ The NTMA defines debt service cost as the net result of interest paid on the national debt, less interest earned on Exchequer financial assets, plus transaction fees and operating expenses incurred.

⁵ See [Annual Progress Report, April 2026](#).

⁶ Exchequer notes to the value of €22.8 billion and central treasury notes to the value of €1.8 billion.

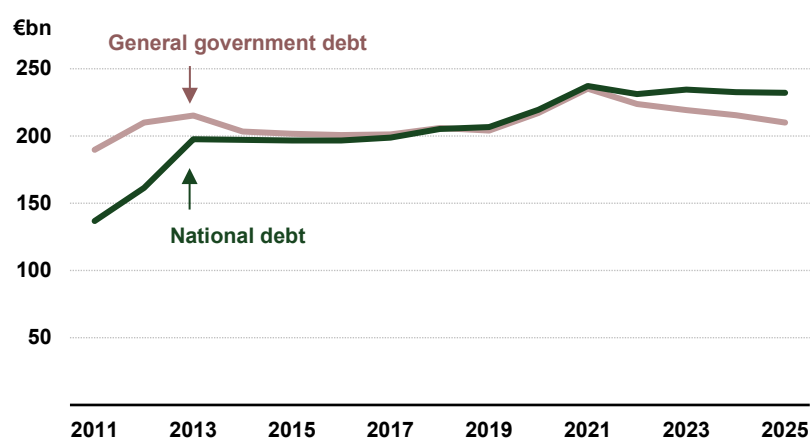
Figure 3.4 Composition of short-term borrowing from public bodies at year end, 2021 – 2025

Source of short-term borrowing	2021	2022	2023	2024	2025
	€m	€m	€m	€m	€m
Central government bodies and funds	3,861	5,633	9,144	12,998	16,867
NTMA-managed funds	305	2,208	6,346	5,097	6,123
Local authorities	—	1,359	1,290	799	1,140
Other public sector bodies	376	523	450	413	310
Total borrowed from public bodies	4,542	9,724	17,230	19,307	24,440
Non-public body borrowing	5,224	186	128	128	148
Total short-term paper	9,766	9,910	17,358	19,435	24,588
Percentage of total short-term paper issued to public bodies	47%	98%	99%	99%	99%

Source: National Treasury Management Agency. Any apparent differences in totals are due to rounding.

General government debt

3.23 For the purposes of monitoring fiscal movements in EU member states, the concept of general government debt has been defined as “total gross debt at nominal value outstanding at the end of the year and consolidated between and within the sectors of general government”.⁷ Using that measure, general government debt at the end of 2025 stood at €209.9 billion (see Figure 3.5). This was down from €215.6 billion at end 2024 — a drop of 2.6% year on year. This continued the downward trend in general government debt from 2021.

Figure 3.5 National debt versus general government debt

⁷ Eurostat Manual on government deficit and debt.

Source: National Treasury Management Agency and Central Statistics Office — Government Finance Statistics 2011 – 2025

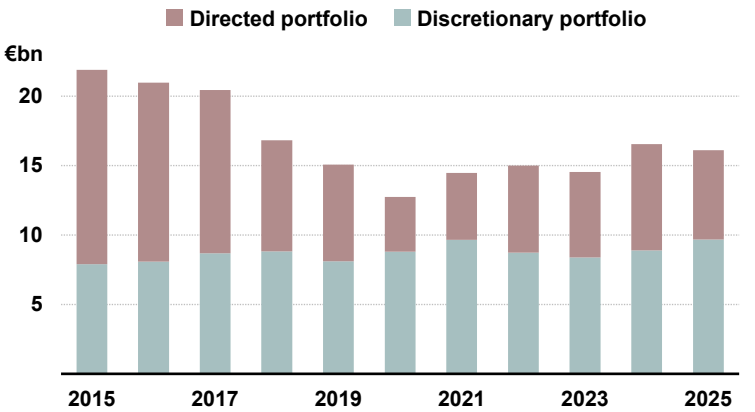
Cash and liquid assets

- 3.24** The NTMA maintained Exchequer cash balances and liquid assets amounting to €38.9 billion (2024: €34.3 billion) at end 2025 for liquidity management purposes. This included €9.1 billion cash held at the Central Bank.
- 3.25** The NTMA engages in lending for a variety of reasons, including to manage excess Exchequer cash balances and to reduce debt servicing costs where possible. At end 2025, NTMA/Exchequer lending included
- €26.3 billion invested in short-term treasury bills issued by European sovereigns and supranational agencies — up from €14.9 billion at end 2024
 - short-term cash advances of €3.5 billion to other Euro-area debt management offices.
- 3.26** The income earned in 2025 from cash held at the Central Bank and lending of Exchequer liquid assets amounted to €647 million (2024: €894 million).

Ireland Strategic Investment Fund

- 3.27 The ISIF is a sovereign investment fund under the management of the NTMA.⁸ The assets of the ISIF are held in two portfolios.
- The **discretionary investment portfolio** consists of investments where the NTMA holds or invests ISIF assets on a commercial basis in a manner intended to support economic activity and employment in Ireland.⁹
 - The **directed investment portfolio** is subject to directions given by the Minister.¹⁰
- 3.28 As illustrated in Figure 3.6, the net assets held by the ISIF have fallen by around 26% from €22 billion in 2015 to around €16.1 billion at the end of 2025.

Figure 3.6 Value of ISIF net assets, 2015 – 2025



Source: Financial Statements of the Ireland Strategic Investment Fund, 2015 to 2025

Discretionary investment portfolio

- 3.29 The value of the investments in the discretionary portfolio at end 2025 was €9.7 billion. This was up 9% in value from the €8.9 billion reported at end 2024.

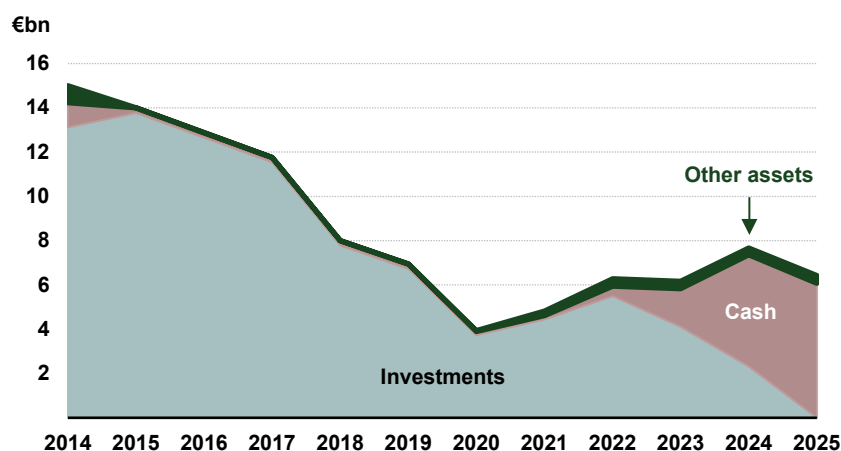
Directed investment portfolio

- 3.30 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.
- 3.31 Since 2015, the net asset value held in the directed portfolio has decreased by 54% — from €14 billion at end 2015 to €6.4 billion at end 2025. 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.
- 3.32 The directed portfolio return in 2025 was around 7.8% (2024: 23.9%).

8 The ISIF was established in December 2014, pursuant to the 2014 Act.

9 Discretionary investments are made in accordance with section 39 of the National Treasury Management Agency Act 2014 (as amended).

10 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.

Figure 3.7 Directed portfolio composition, 2014 – 2025

Source: Financial Statements of the Ireland Strategic Investment Fund, 2014 to 2025

- 3.33** By the end of 2025, there were no investments remaining in the directed portfolio and all proceeds from the sale of bank shares not yet transferred to the Exchequer were held in cash (see Figure 3.7).

AIB Group plc divestment

- 3.34** The NTMA completed the sale of the State's remaining shareholding in AIB on 16 June 2025 realising total net proceeds of €2.7 billion.¹¹ In 2025, the NTMA was directed to transfer €1.3 billion from the proceeds of sales of AIB shares from the directed portfolio to the Exchequer.

Funding of the Land Development Agency DAC

- 3.35** 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 Land Development Agency (LDA).¹² An additional €500 million was transferred from the directed portfolio during 2025, followed by further transfers from the directed portfolio amounting to €1 billion to date in 2026. This brings the total amount provided to the LDA from the ISIF to €2.75 billion.

Funding of Home Building Finance Ireland

- 3.36** On 8 April 2019, the Minister for Finance directed the NTMA to execute a loan facility agreement with Home Building Finance Ireland (Lending) DAC and to make available a loan facility of up to €730 million from the directed portfolio of ISIF to the company. The loan balance outstanding at the end of December 2025 was €303 million.

ISIF loss due to lapse in internal controls

- 3.37** 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.

¹¹ See also *Report on the Accounts of the Public Services 2025*, chapter 5, [Net cost of banking stabilisation measures](#).

¹² These amounts were funded through transfers from the discretionary portfolio to the directed portfolio. See also *Report on the Accounts of the Public Services 2024*, chapter 1, [Exchequer financial outturn for 2024](#).

- 3.38** The NTMA reported the fraud to the relevant authorities including An Garda Síochána and took steps to recover the funds. To date, the NTMA has recovered €2.5 million and efforts to make further recoveries are ongoing.

Future Ireland funds

- 3.39** The Future Ireland Fund and the Infrastructure, Climate and Nature Fund were established on 30 July 2024 under the provisions of the Future Ireland Fund and Infrastructure, Climate and Nature Fund Act 2024 (the 2024 Act) to be managed by the NTMA.

- 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.

- 3.40** The funds are generally referred to collectively by the NTMA as the ‘future Ireland funds’.

- 3.41** The 2024 Act provided for the winding up of the National Surplus (Exceptional Contingencies) Reserve Fund and for the transfer of its resources 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.

- 3.42** In addition to the initial transfers, the 2024 Act provides for substantial annual transfers from the Exchequer into the funds, subject to an economic and fiscal assessment process carried out by Irish Fiscal Advisory Council and the Department of Finance.

- For each year from 2024 to 2035, the Act requires the payment into the Future Ireland Fund of a statutory Exchequer contribution 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).¹³
- 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.¹⁴

- 3.43** In 2025, transfers totalling €4.08 billion (2024: €4.05 billion) were made to the Future Ireland Fund from the Central Fund — this was equivalent to 0.8% of the estimated GDP for 2023. Transfers totalling €2 billion were also made to the Infrastructure, Climate and Nature Fund in 2025.

- 3.44** At end 2025, the net assets of the future Ireland funds together amounted to €16.82 billion (2024: €10.47 billion), including accrued interest and ‘fair value’ gains.¹⁵ Almost all of the funds were invested in Euro-area sovereign debt instruments with maturities of less than three years.

13 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.

14 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.

15 The net assets comprised €12.75 billion (2024: €8.45 billion) in the Future Ireland Fund and €4.07 billion (2024: €2.02 billion) in the Infrastructure, Climate and Nature Fund.

- 3.45** The NTMA has established an investment committee to assist it in the control and management of the future Ireland 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; 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.
- 3.46** In June 2025 the NTMA appointed an external global custodian to the funds with responsibility for the custody, settlement and safekeeping of assets. The external custodian took custody of the fund assets at the end of July 2025.¹⁶
- 3.47** During 2025, the NTMA appointed four investment managers to provide passive investment management services to the funds under the long-term investment strategy of each fund.
- 3.48** The NTMA monitors the performance of the investment managers and the global custodian while also monitoring associated risks in accordance with relevant risk policies.

¹⁶ The assets were moved to the custodian through an in-specie transfer.

State Claims Agency

3.49 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 2025

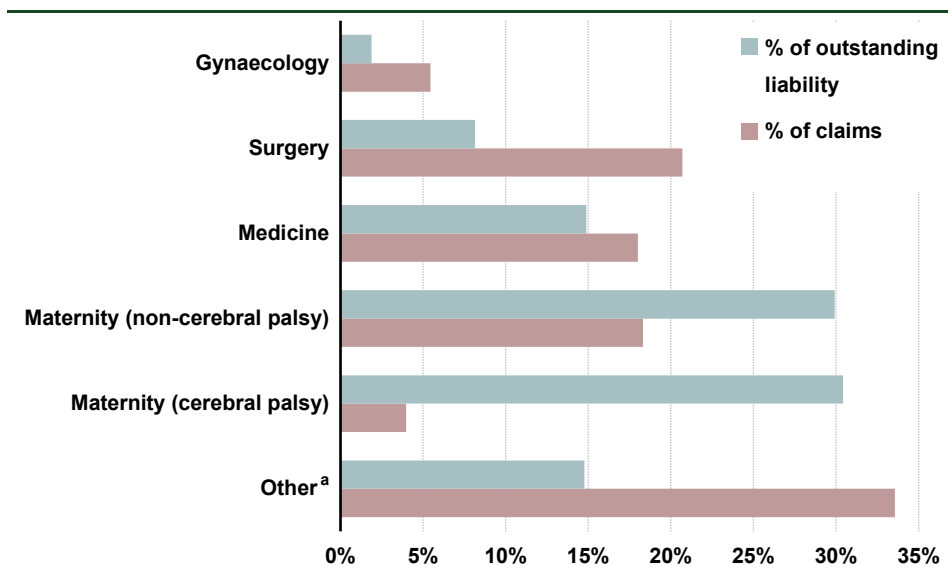
3.50 In 2025, the SCA paid settlements, awards and expenses totalling €513 million — a decrease of 2% on the prior year (2024: €521 million).¹⁷ These amounts are recoverable by the SCA from the relevant State authorities.¹⁸

Estimated outstanding liability

3.51 The SCA estimated the cost of settling claims outstanding at the end of 2025 to be €5.46 billion (2024: €5.35 billion).¹⁹

3.52 Clinical claims totalling €4.43 billion account for the majority of the estimated aggregate outstanding liability; the remaining €1.03 billion related to general claims. Maternity-related claims make up around 60% (€2.67 billion) of the total value of clinical claims (see Figure 3.8).

Figure 3.8 Clinical claims by service and estimated outstanding liability, at end 2025



¹⁷ 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.

¹⁸ The SCA's own administrative costs of €36 million (€35 million in 2024) are not recovered from delegated State authorities.

¹⁹ €1.11 billion of the estimated outstanding liability at year end relates to interim and ‘periodic payment’ orders.

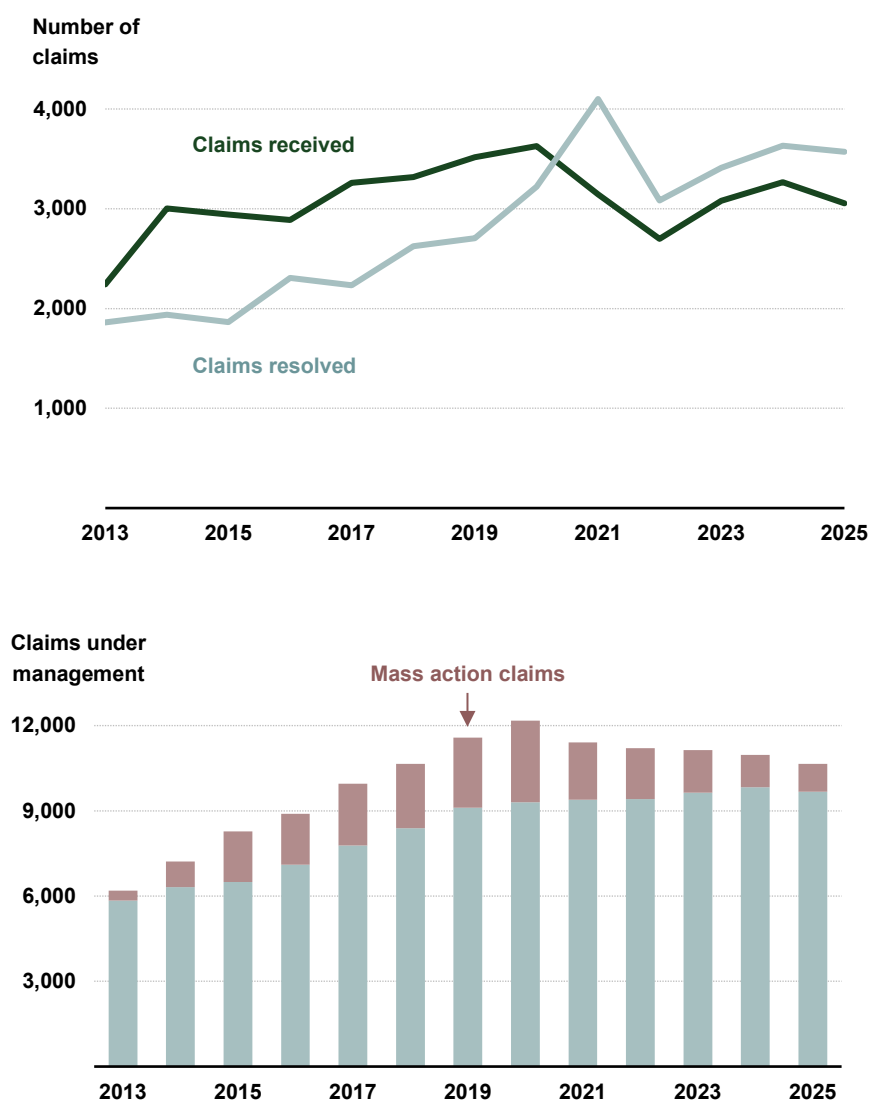
Source: National Treasury Management Agency

Note: a Other comprises all remaining services.

Estimated outstanding claims

- 3.53** There were 3,570 claims resolved in 2025. However, the number of claims under management by the SCA at year end remains high (see Figure 3.9). At the end of 2025, there were 10,658 (2024: 10,968) claims under management, including 986 claims (2024: 1,138) in mass actions (general and clinical).
- 3.54** The total claims at end 2025 include claims received on the Garda Síochána compensation scheme which was established in April 2023.²⁰ The scheme received 883 (2024: 720) claims to end 2025, most of which are legacy claims arising from incidents that predate the establishment of the scheme.

Figure 3.9 Claims received and resolved annually, and claims under management, at year end, 2013 – 2025



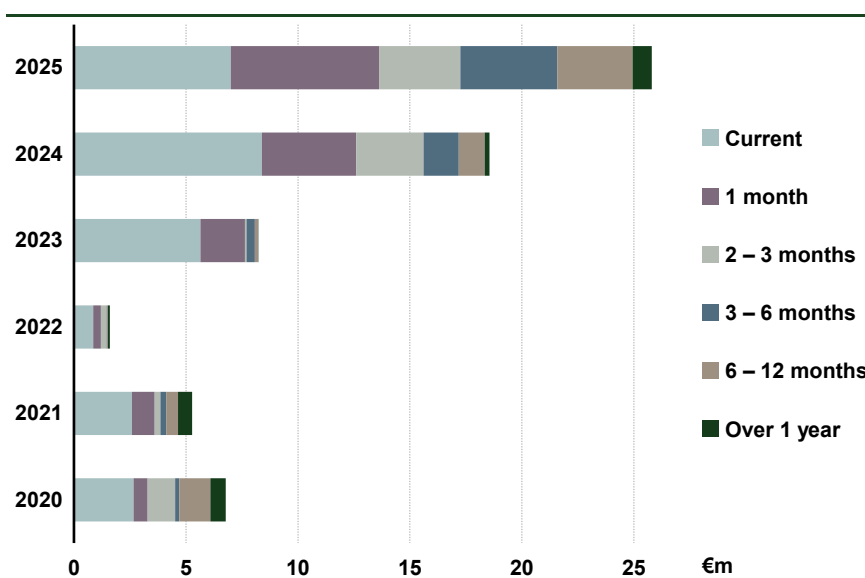
²⁰ Established under [Garda Síochána \(Compensation\) Act 2022](#).

Source: National Treasury Management Agency

Accounts receivable

- 3.55** SCA recoups awards, claim settlements and expenses incurred on behalf of State bodies by billing the respective bodies. The amounts due from State bodies have increased significantly from €11.8 million at end 2023 to €48.8 million at end 2025. Over the same period, the ageing composition of these debts has changed, with amounts due taking longer to be repaid by the State bodies (see Figure 3.10).
- 3.56** In February 2026, the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (Department of Public Expenditure) communicated to all finance officers in government departments and offices that approval from the Department of Public Expenditure is required prior to settling amounts due to the SCA.

Figure 3.10 SCA amounts due from state bodies, 2020 – 2025^a



Source: National Treasury Management Agency. Analysis by the Office of the Comptroller and Auditor General.

Note: a Excludes receivables settled in January of the following year.

CervicalCheck litigation

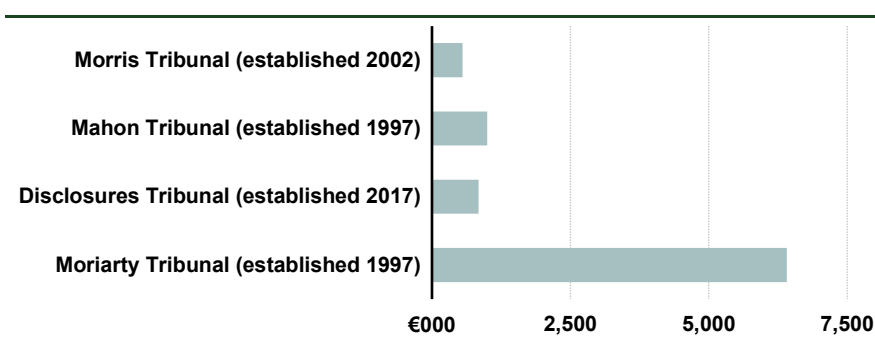
- 3.57** By end 2025, the SCA had received notification of 411 claims related to the HSE's CervicalCheck programme (end 2024: 402 claims). This includes 86 psychological injury claims from family members of women who had availed of the programme.
- 3.58** The claims are primarily taken against the laboratories responsible for reading the test results and the Health Service Executive for non-disclosure of the results of clinical audit. Laboratories are contractually obliged to provide an indemnity to the State. 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.

- 3.59** During 2025, 30 CervicalCheck claims were concluded, bringing the total number of claims concluded by end 2025 to 337 (82%). 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. As at the end of 2025, the total amount paid by SCA in respect of CervicalCheck claims amounted to €18.9 million, including €6.6 million in paid damages.

Tribunals costs

- 3.60** In 2025, the SCA made payments amounting to €8.8 million in relation to four tribunals of inquiry. The majority of the 2025 costs related to settlement of legal fees of a centrally involved participant in the Moriarty tribunal, in respect of whom an order of indemnity against the State was made in 2021 (see Figure 3.11).

Figure 3.11 Tribunals costs 2025

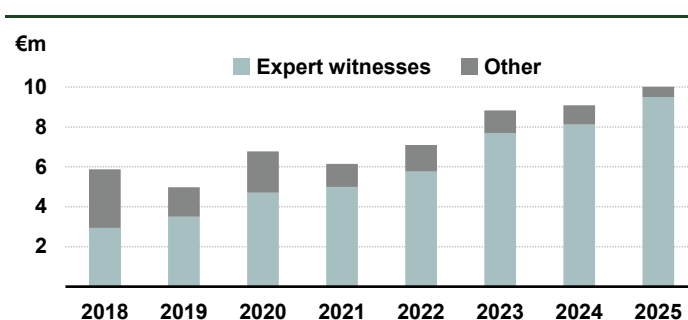


Source: National Treasury Management Agency

Procurement of expert witness services

- 3.61** During 2025, the NTMA made payments totalling €10.1 million (ex VAT) (2024: €9.1 million) in respect of goods/services that were the subject of procurement exceptions approved in accordance with the NTMA's *Procurement Policy and Procurement Procedure*.
- 3.62** The overall level of non-competitive procurement by the NTMA has increased by 70% over the last eight years (see Figure 3.12). The key driver is increased expenditure associated with expert witnesses retained by the SCA. The SCA does not competitively procure the services of witnesses as to causation and liability on the basis that to do so would increase litigation risk, having regard to the rules of the superior courts.^{21,22}

Figure 3.12 NTMA procurement exceptions, 2018 – 2025



Source: Financial Statements of the National Treasury Management Agency, 2018 to 2025. Analysis by the Office of the Comptroller and Auditor General.

21 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).

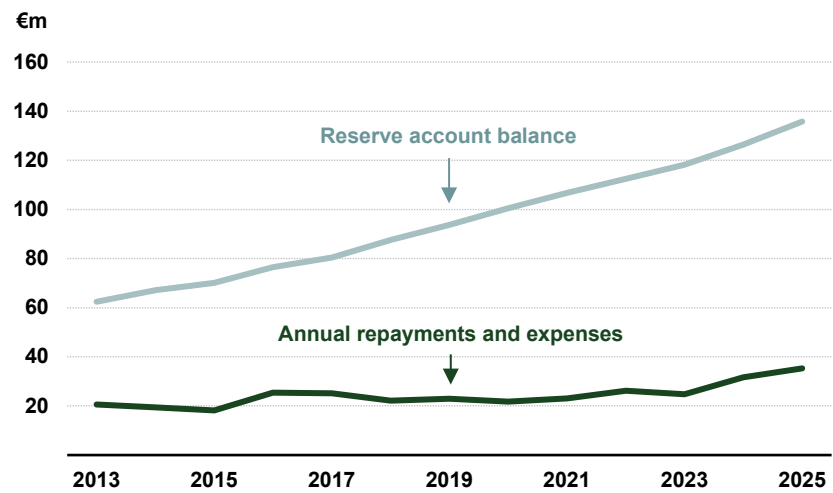
22 The SCA referred to the provisions of order 39 of [Superior Courts Rules](#).

Dormant Accounts Fund

- 3.63** The Dormant Accounts Acts 2001 to 2012 (the Acts) provide for the transfer of dormant funds in certain institutions including banks, building societies and An Post to the statutory Dormant Accounts Fund. The funds are transferred subject to a right of reclaim in respect of those funds.
- 3.64** The Acts also provide for a scheme for the disbursement from the Dormant Accounts Fund for programmes or projects funded by departments through their votes to assist
- the personal and social development of persons who are economically or socially disadvantaged
 - the educational development of persons who are educationally disadvantaged or
 - persons with a disability within the meaning of the Equal Status Act 2000.
- 3.65** The NTMA is responsible for establishing, managing and controlling the Dormant Accounts Fund in accordance with the Acts. Its functions include the making of disbursements to the relevant votes in accordance with the directions of the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation; the repayment of monies transferred; and keeping accounting records of all monies received and expended.
- 3.66** The Dormant Accounts Fund consists of an investment and disbursement account and a reserve account. The reserve account is used to repay dormant funds reclaimed by financial institutions on behalf of their clients (or their legal representatives) and relevant operating costs and expenses.
- 3.67** At end 2025, the closing balance in the investment and disbursement account stood at €110 million. The closing balance in the reserve account stood at €135.8 million. The combined value of the balances in the two accounts was almost €246 million at end 2025.
- 3.68** The balance of the reserve account has grown steadily over the period 2013 to 2025, whereas annual repayments to financial institutions and expenses have increased at a slower rate (see Figure 3.13).
- 3.69** The amount reserved is determined by the NTMA from time to time with the approval of the Minister for Rural and Community Development and the Gaeltacht and the consent of the Minister for Finance. The approved balance required to be maintained in the reserve account is currently 15% of the aggregate dormant funds received and not yet reclaimed.
- 3.70** The NTMA does not receive individual account details as part of dormant account inflows or reclaim requests from financial institutions.²³ Consequently, it is not possible for the NTMA to determine the age of unclaimed amounts. This limits the potential for the reserves policy to reflect the potential lower likelihood of very old dormant account balances being reclaimed.

²³ The financial institutions are required to continue to maintain the individual account records.

Figure 3.13 Reserve account balance and annual repayments and expenses, 2013 – 2025



Source: Dormant Accounts Fund financial statements 2013 to 2025

- 3.71** In July 2026, the NTMA obtained approval from the Minister for Rural and Community Development and the Gaeltacht for a proposal to reduce the allocation to the reserve account to 10% of the aggregate value of dormant funds received and not yet reclaimed. It is likely this will increase the value of funds available for disbursement for the statutory purposes.
- 3.72** The NTMA is seeking consent from the Minister for Finance to proceed on this basis.

Annex 3A Cost of operations and staffing distribution by business area

Figure 3A.1 Cost of operations, by business area, 2022 – 2025

	2022	2023	2024	2025
NTMA business units	€m	€m	€m	€m
Funding and debt management	13.4	13.5	14.3	13.5
Ireland Strategic Investment Fund	18.4	22.5	24.8	25.8
Future Ireland funds	—	—	2.0	7.1
State Claims Agency	31.7	32.6	34.9	36.3
NewERA	6.8	7.5	8.2	8.7
Banking Unit (Department of Finance)	4.4	2.9	2.8	2.7
National Development Finance Agency	12.7	13.3	14.9	15.6
Supported bodies				
National Asset Management Agency	26.2	23.9	33.9	17.2
Strategic Banking Corporation of Ireland	7.8	8.9	9.5	10.6
Home Building Finance Ireland	6.2	7.3	7.7	8.9
Total payments	127.5	132.4	153.0	146.4

Source: National Treasury Management Agency. Any apparent differences in totals are due to rounding.

Figure 3A.2 NTMA staffing distribution at year end, 2022 – 2025^a

	2022	2023	2024	2025
NTMA business units				
Funding and debt management	24	24	26	24
Ireland Strategic Investment Fund	66	80	85	84
Future Ireland funds	—	—	2	12
State Claims Agency	170	170	179	178
NewERA	29	31	35	38
Banking Unit (Department of Finance)	11	12	13	12
National Development Finance Agency	66	71	77	78
NTMA corporate functions				
Finance, technology and operations	145	155	168	175
Legal, compliance, HR and internal audit	59	63	60	64
Risk	23	22	21	22
Other	2	1	1	1
Supported bodies				
National Asset Management Agency	110	92	81	53
Strategic Banking Corporation of Ireland	38	44	47	51
Home Building Finance Ireland	31	36	35	42
Total	773	801	830	834

Source: National Treasury Management Agency. Any apparent differences in totals are due to rounding.

Note: ^a Staffing numbers relate to whole-time equivalents.

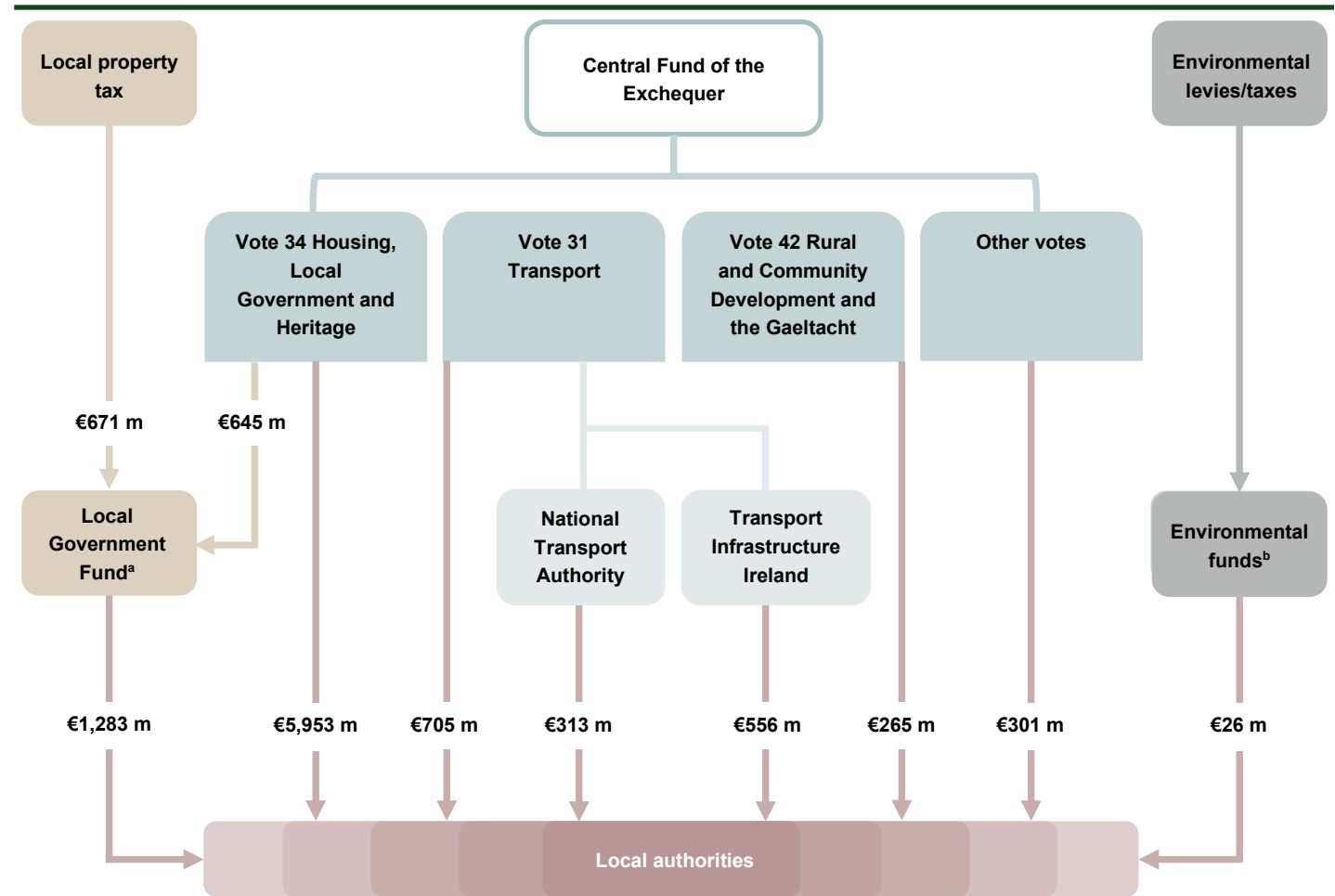
4 Central government funding of local authorities

Local authorities receive a considerable amount of their annual funding from multiple central government departments and agencies (see Figure 4.1).

This report provides 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.

The examination 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 three departments — the Department of Housing, Local Government and Heritage, the Department of Enterprise, Tourism and Employment and the Department of Agriculture, Food and Marine.

Figure 4.1 Flow of central government funding to local authorities in 2025



Source: Annex 4A. Analysis by the Office of the Comptroller and Auditor General.

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

b Includes the Climate Action Fund and the Circular Economy Fund.

Section 1 Total central government transfers and application of central government funding

In 2025, funding from central government to local authorities totalled around €9.4 billion. This was a net increase of almost €795 million (9%) on 2024. Over the period 2020 to 2025, central government funding to local authorities has increased by around 55% (see Figure 4.2).

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 (see Figure 4.3).

The main purposes for which the funding was provided in 2025 were for the delivery of social and affordable housing and a broad range of other housing supports; transport investment; a contribution towards local authority general activities (budget support); support for environmental initiatives; and business supports.

Figure 4.2 Central government funding, 2020 – 2025

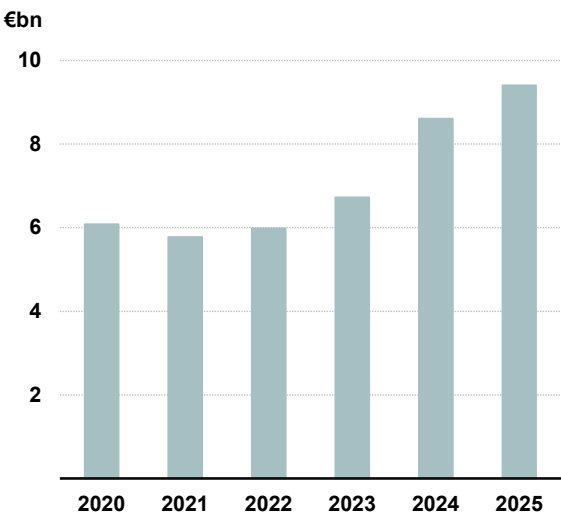
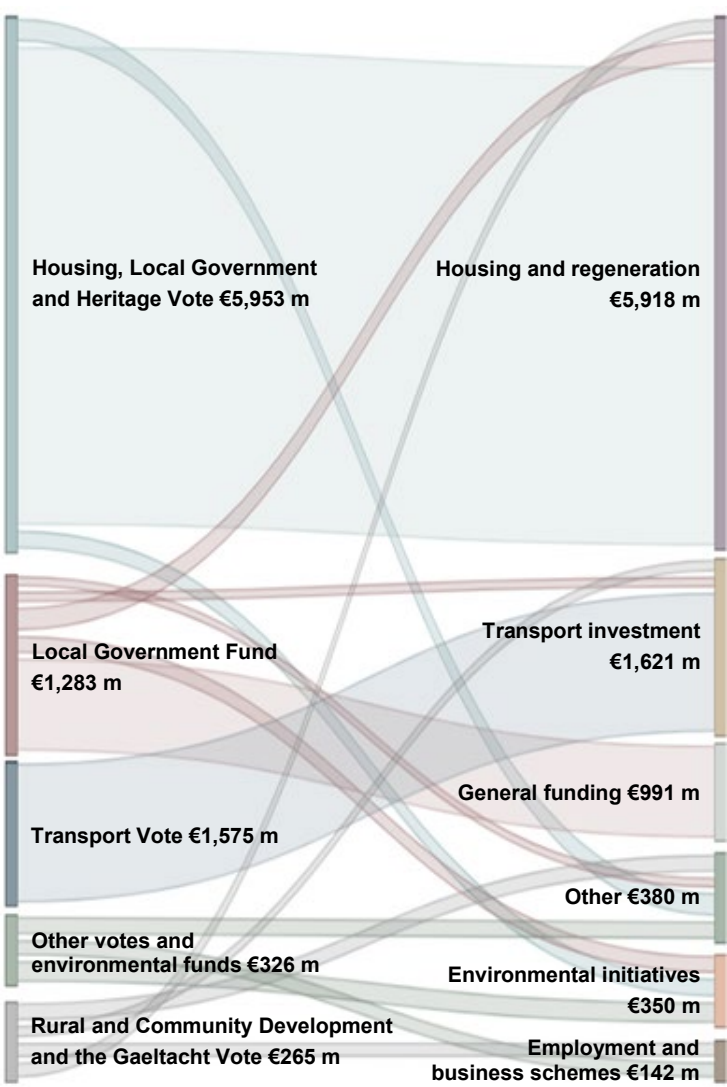


Figure 4.3 Grouped analysis of funding by programme category, 2025



Source: Annex 4A. Analysis by the Office of the Comptroller and Auditor General.

Section 2 Housing and regeneration

The Department of Housing, Local Government and Heritage provides most (96%) of the funding for local authority expenditure on housing and regeneration. The local authorities use the funding to provide social housing stock (managed by local authorities and approved housing bodies); for the delivery of affordable housing; to support the refurbishment of vacant and derelict properties; and for other housing supports. These supports include the housing assistance payment (HAP) and rental accommodation scheme (RAS) to support households in private rental tenancies.

The funding is also used for improvements to existing local authority housing units and adaptation grants for older people and for people with disability. Around €160 million (2024: €137 million) of the funding provided by the Department to local authorities was under the Urban Regeneration and Development Fund (URDF). The Towns and Cities Regeneration Investment Fund (TACRIF) replaced the URDF in early 2026. The TACRIF continues to support the delivery of more compact and sustainable development across Ireland's cities and large towns.

The Department of Rural and Community Development and the Gaeltacht also provides funding to local authorities for rural regeneration — €72 million in 2025 (2024: €70 million). This funding supports schemes for revitalising towns and villages; addressing vacancy and dereliction; and development of community facilities.

Figure 4.4 Central government funding to local authorities for investment in housing and regeneration, 2020 – 2025

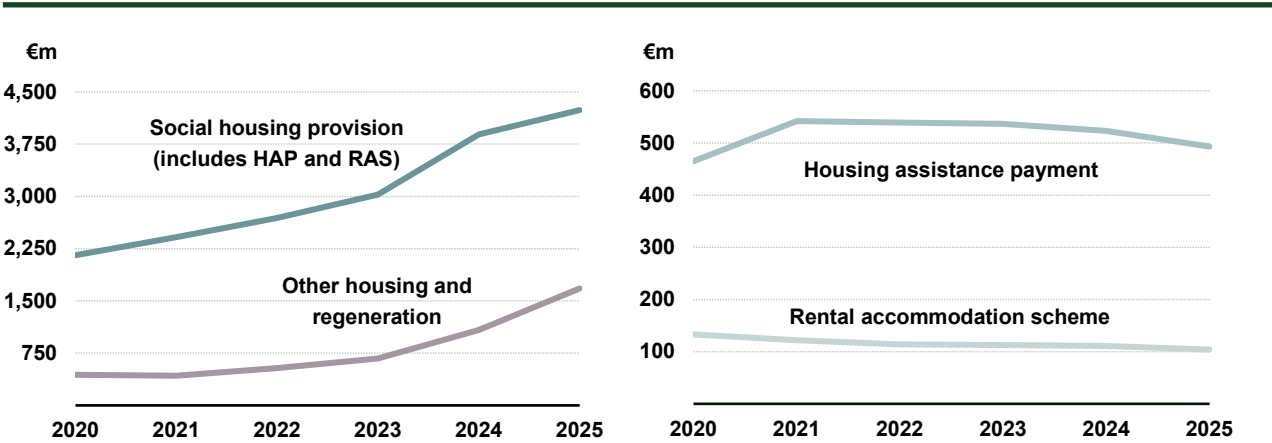
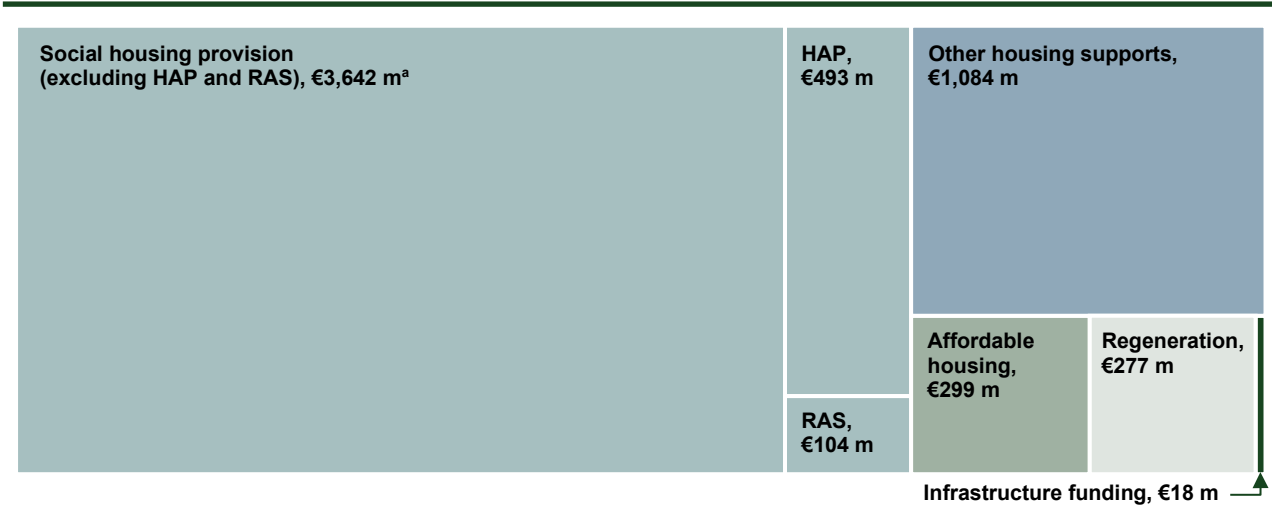


Figure 4.5 Breakdown of funding for housing and regeneration purposes, 2025



Source: Department of Housing, Local Government and Heritage. Analysis by the Office of the Comptroller and Auditor General.

Note: a Includes funding of almost €165 million from the local property tax allocation that local authorities above the baseline are required to spend on housing in lieu of Exchequer funding.

Section 3 Transport investment

The Department of Transport and the Department of Rural and Community Development and the Gaeltacht provide funding to local authorities for roads and public transport investment (see Figure 4.6 and Figure 4.7).

The Department of Transport provides funding primarily for regional and local roads directly to local authorities (€701 million in 2025). Transport Infrastructure Ireland provided funding for national roads (€508 million) and greenways (€48 million). The National Transport Authority provided funding for active travel (€282 million) and public transport (€31 million) in 2025.

The Department of Rural and Community Development and the Gaeltacht provided funding of €30 million to local authorities for private and non-publicly maintained local roads.

Some local authorities also self-fund expenditure on regional and local roads from local property tax allocations (€16.5 million in 2025).

Figure 4.6 Central government funding to local authorities for transport investment 2020 – 2025

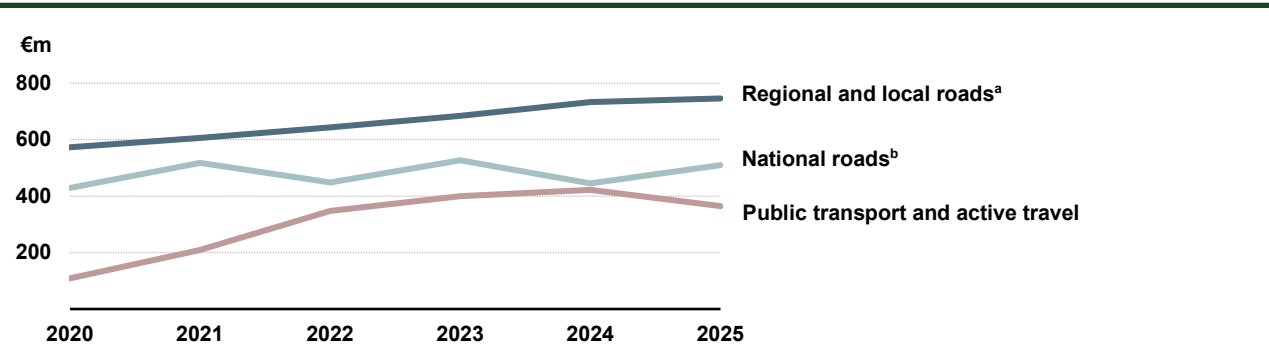
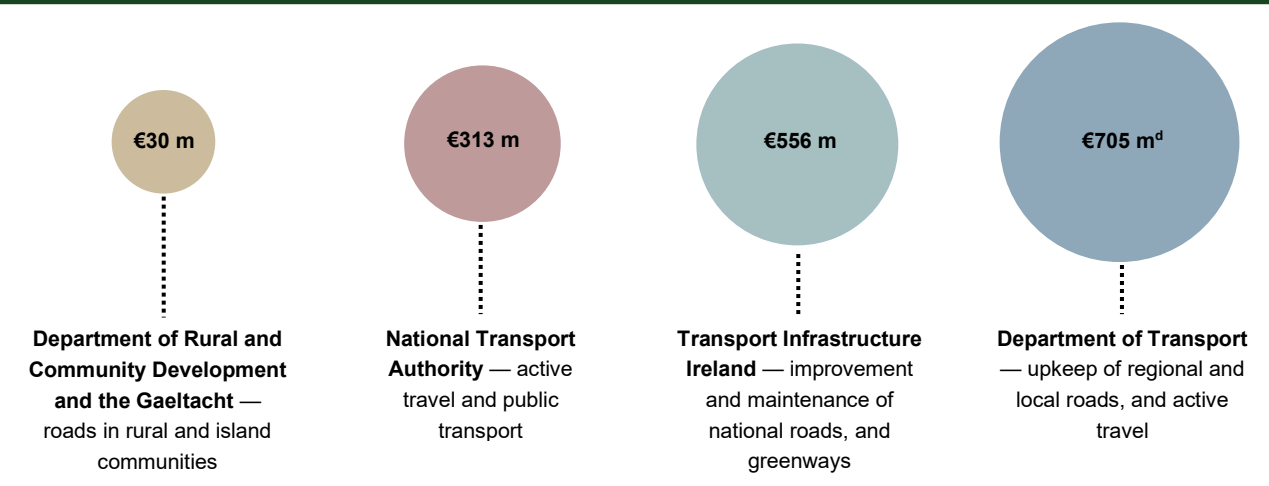


Figure 4.7 Transport investment by organisation 2025^c



Source: Department of Transport, Department of Rural and Community Development, Department of Agriculture, Food and the Marine and Department of Climate, Energy and the Environment. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a Includes funding from the Department of Agriculture, Food and the Marine and the Department of Climate, Energy and the Environment, totalling around €305,000.
 - b Includes electric car infrastructure and Zero Emission Vehicles Ireland funding.
 - c This figure does not include the funding of €16.5 million from local property tax allocations. It also excludes funding from the Department of Agriculture, Food and the Marine and the Department of Climate, Energy and the Environment, totalling around €305,000.
 - d This includes funding of around €3.4 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, Local Government and Heritage provided local authorities with funding of €91 million from the Local Government Fund for water delivery transformation costs in 2025 (2024: €62 million). The funding is for costs still incurred by local authorities following the establishment of Uisce Éireann (referred to as ‘stranded’ water costs). These costs are mainly corporate overheads (e.g. finance, IT, human resources) for water service administrative roles remaining in the local authorities. Further detail on stranded water costs is included at Annex 4C.

The Office of Public Works provided local authorities with funding of around €67 million for flood relief works in 2025 (2024: €46 million).

Figure 4.8 Central government funding to local authorities for environmental initiatives, 2020 – 2025

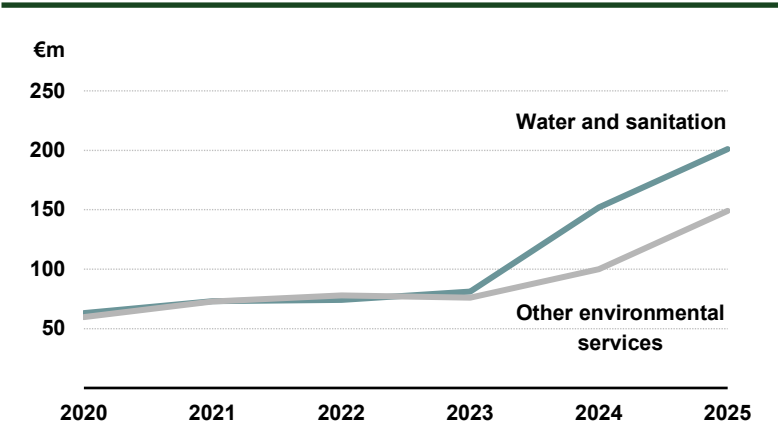
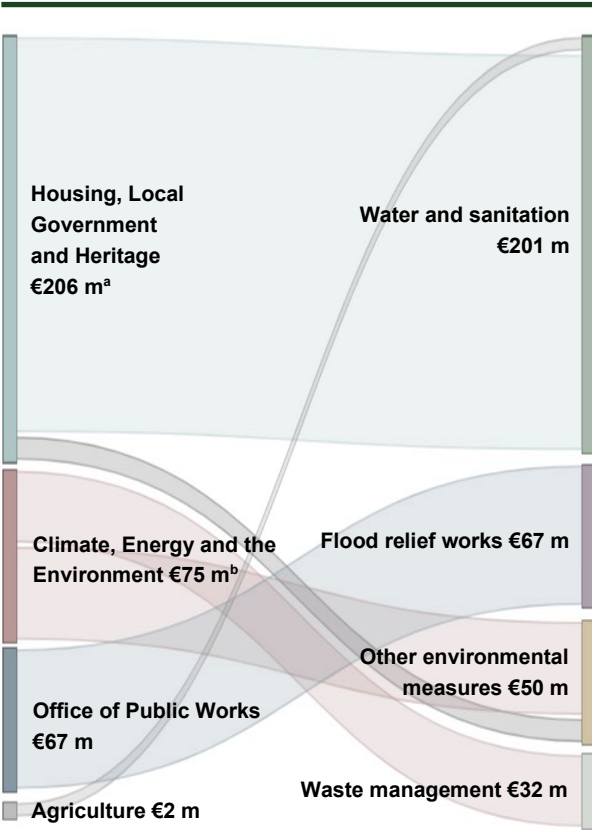


Figure 4.9 Environmental initiatives — sources and purposes of funding, 2025



Source: Annex 4A. Analysis by the Office of the Comptroller and Auditor General.

Notes:

- a Includes funding of €91 million from the Local Government Fund for water transformation costs, of which €85 million had been ring-fenced for these costs in the fund's prior year reserves.
- b Includes funding of €7 million from the Circular Economy Fund and €18.4 million from the Climate Action Fund.

Section 5 Miscellaneous capital programmes

The Department of Rural and Community Development and the Gaeltacht provided (including through the Community Recognition Fund, the Community Enhancement Programme, and funding for Island communities) funding of around €46 million (2024: €32.7 million) to local authorities for community facility supports. It also provided funding of €15.8 million (2024: €33.7 million) for the LEADER programme.

The Department of Housing, Heritage and Local Government provided funding of €46.5 million to Louth County Council in 2025 (2024: €26.5 million) for the Narrow Water Bridge project. The projected full contribution to the cost of the bridge is €135 million.

The Department of Agriculture, Food and the Marine provided capital funding of around €3.5 million in 2025 (2024: €12 million) for harbour development projects.

Figure 4.10 Central government funding to local authorities for miscellaneous capital programmes, 2020 – 2025^a

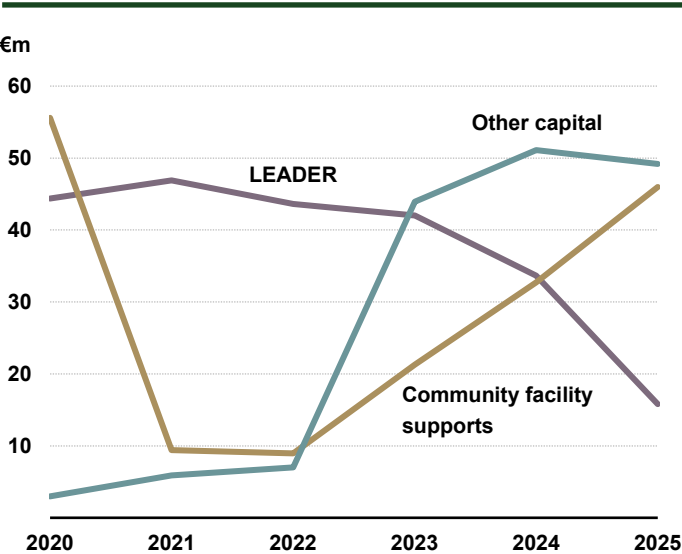
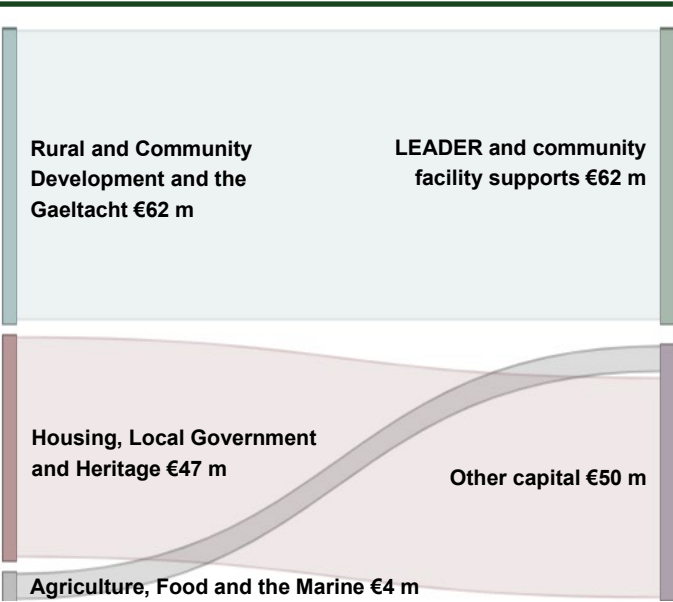


Figure 4.11 Miscellaneous capital programmes — sources and purpose of funding, 2025^b



Source: Annex 4A. Analysis by the Office of the Comptroller and Auditor General.

Notes:

- a This reflects the gross funding. Reimbursements from local authorities of €50,000 are not included.
- b Some amounts may not tot due to rounding.

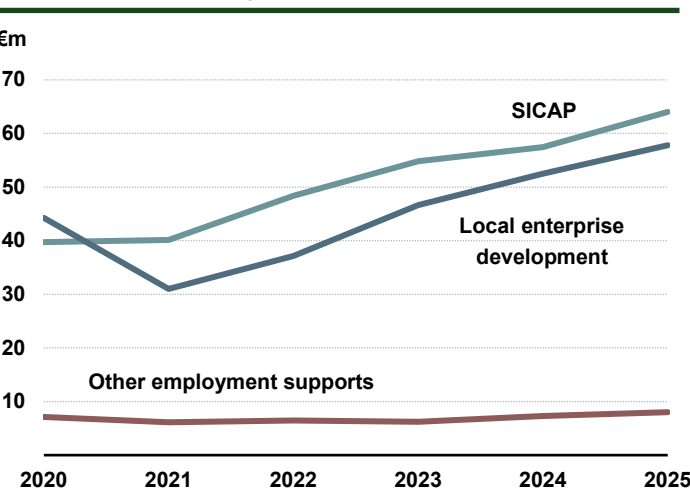
Section 6 Employment and business schemes

The Department of Rural and Community Development and the Gaeltacht provided around €64 million (2024: €57.5 million) to local authorities for the Social Inclusion and Community Activation Programme (SICAP).

In 2025, the Department of Enterprise, Tourism and Employment, through Enterprise Ireland, provided €57.8 million (2024: €52.5 million) to local authorities for the local enterprise programme delivered by local enterprise offices (LEOs). Around €8 million (2024: €7 million) of funding was also provided by the Department of Social Protection in employment support schemes (see Figure 4.12).

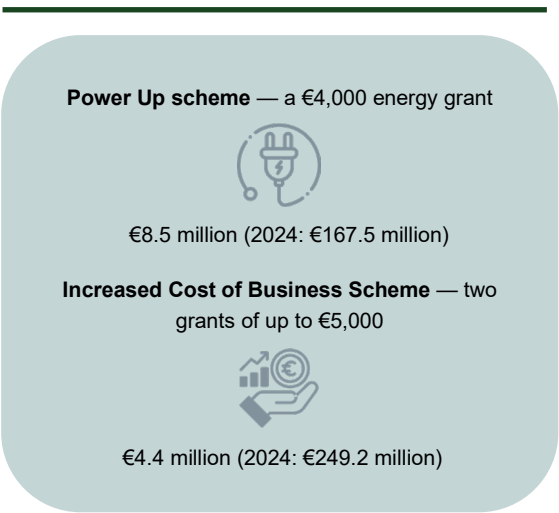
The Department of Enterprise, Tourism and Employment also provided funding for payments under a reclassification appeals process for the temporary Increased Cost of Business Scheme and the Power Up energy grant initiatives (see Figure 4.13). These initiatives were introduced in 2024 for one year. However, some businesses misclassified their business in 2024 and were deemed ineligible. The Department received sanction in 2025 (from the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation) for an appeals process to allow affected businesses to correctly categorise their business and register for the grants. The reclassification process was administered by the local authorities on behalf of the Department.

Figure 4.12 Central government funding to local authorities for employment schemes, 2020 – 2025



Source: Department of Enterprise, Tourism and Employment. Analysis by the Office of the Comptroller and Auditor General.

Figure 4.13 Business supports administered by local authorities, 2025



Section 7 Other services

Central government funding also included €10 million (2024: €44 million) for accommodation and services for persons displaced by the Russian invasion of Ukraine and €13 million (2024: €6.4 million) for migrant integration supports.

The Housing Vote provided funding of €18.6 million on an exceptional basis to local authorities for severe weather event response and clean-up costs in 2025.

Total funding of €79 million was provided to support the fire and emergency services (2024: €66 million). €68.8 million of this funding was provided from the Housing Vote. The HSE also provided €9.2 million to support the Dublin Fire Brigade Ambulance Service.

The Department of Culture, Communications and Sport provided €22.6 million (2024: €17.3 million) to local authorities through Sport Ireland.

Figure 4.14 Central government funding to local authorities for other services, 2020 – 2025

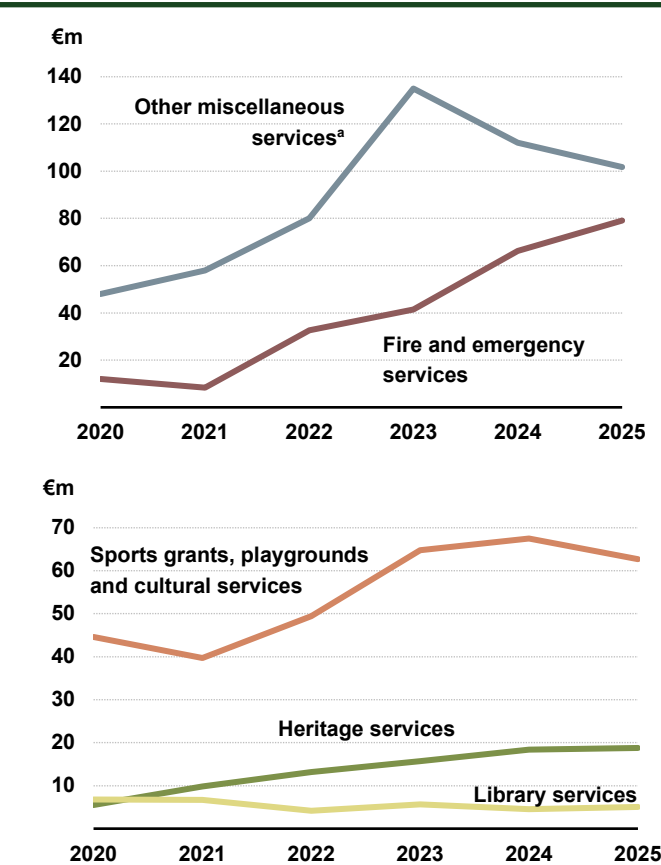
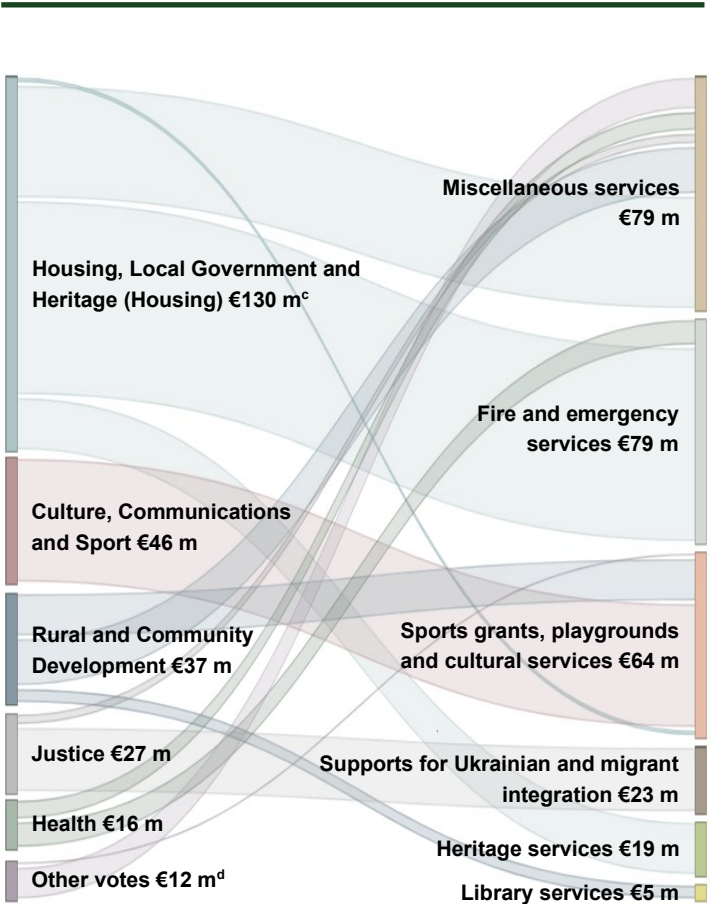


Figure 4.15 Other Services — sources and purposes of funding, 2025^b



Source: Annex 4A. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a This is further broken down in Figure 4.15 between miscellaneous services and supports for Ukrainian and migrant integration.
 - b Some amounts may not tot due to rounding.
 - c Includes funding of €23 million from the Local Government Fund.
 - d Includes Agriculture Food and the Marine (€4.8 million); Defence (€4.2 million); Children, Disability and Equality (€1.3 million); Social Protection (€0.9 million); Further and Higher Education, Research, Innovation and Science (€0.7 million); Climate, Energy and the Environment (€0.2 million); Office of Public Works (€0.008 million).

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’s 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 4B for the calculation of the LPT 2025 allocation.

The LPT receipts in a particular year may not match annual allocations for that year (see Figure 4.16). This is because property owners may pay their LPT in the year prior to liability (i.e. a prepayment), or as a late payment in a subsequent year. For example, €158 million (2024: €79 million) of LPT receipts were received in 2025 for the 2026 liability year. The increase in prepayments is attributed to the commencement of a new LPT cycle for the period 2026 – 2030. Property owners were required to submit a property valuation, as at 1 November 2025, to determine the LPT charge for the new cycle.

Figure 4.16 Receipts and allocation of LPT through the Local Government Fund 2015 – 2025

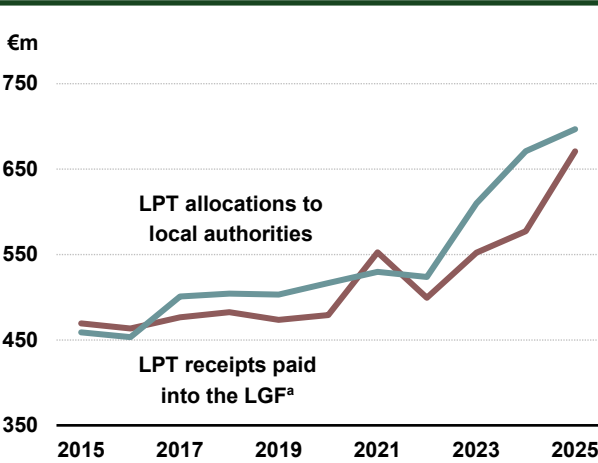
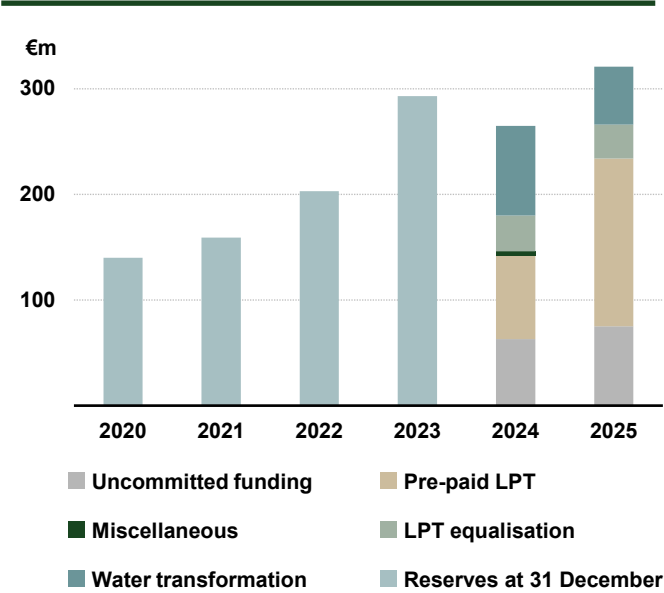


Figure 4.17 Local Government Fund, year-end reserves 2020 – 2025



Source: Revenue Accounts 2015 – 2025, the Department of Housing, Local Government and Heritage and the Local Government Fund accounts. Analysis by the Office of the Comptroller and Auditor General.

Note: a LPT receipts collected by the Revenue Commissioners and amounts subsequently paid over to the LGF in a given year may differ due to timing.

After recording a surplus of around €56 million in 2025, the LGF reserves increased to around €321 million by year-end. Overall, the reserves have increased by approximately 129% since 2020 (see Figure 4.17).

At end 2025, almost €276 million (86%) of the year-end reserves were ringfenced/allocated for specific purposes. This included €55 million for water transformation stranded costs, €159 million of prepaid

LPT, and €32 million for LPT equalisation funding. 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 €75 million (2024: €63 million). The Department stated that the increase in uncommitted reserves is largely due to higher than expected LPT receipts, particularly the collection of LPT arrears.

Annex 4A Central government transfers to local authorities by expenditure programme, 2020 to 2025^a

Expenditure category	2020 €m	2021 €m	2022 €m	2023 €m	2024 €m	2025 €m
Housing and regeneration						
Social housing provision	2,156	2,413	2,693	3,025	3,633	4,239
Affordable housing, etc.	—	4	9	20	144	299
Infrastructure funding	32	16	17	20	16	18
Other housing supports	340	324	420	536	916	1,084
Regeneration	67	82	90	99	261	277
	2,595	2,839	3,229	3,699	4,970	5,917
Transport investment						
National roads improvement	429	517	449	526	445	510
Regional and local roads improvement	573	606	644	685	733	746
Public transport and active travel	109	209	348	400	423	365
	1,111	1,332	1,441	1,611	1,601	1,621
Environmental initiatives						
Water and sanitary services	63	73	74	81	152	201
Flood relief works	31	26	28	31	46	67
Waste management	26	39	37	25	30	32
Other environmental measures	3	8	13	20	24	50
	123	146	152	157	252	350
Employment and business schemes						
Employment schemes	91	77	92	108	117	129
Increased Cost of Business scheme	—	—	—	—	249	4
Power Up scheme	—	—	—	—	168	9
	91	77	92	108	534	142

Expenditure category	2020 €m	2021 €m	2022 €m	2023 €m	2024 €m	2025 €m
Miscellaneous capital programmes	103	62	60^c	107	117	112
Other services						
Fire and emergency services	12	8	33 ^b	41 ^b	66 ^b	79 ^b
Library service	7	7	4	6	5	5
Sports grants, playgrounds and cultural projects	45	40	49	64	61	63
Heritage services (architectural heritage)	5	10	13	16	18	19
Other miscellaneous services	48	58	80	135	112	102
	117	123	179	263	262	268
Covid-19 supports						
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	—	—
	1,417	637	197	4	—	—
 LPT allocations — non-programme specific/discretionary	 410	 422	 423	 426	 504	 515
Remuneration-related payments paid from the LGF	109	130	210	287^d	368	476
Total funding provided to local authorities	6,076	5,768	5,984	6,662	8,608	9,401

Source: Department of Defence; Department of Enterprise, Tourism and Employment; Department of Agriculture, Food and the Marine; Department of Children, Disability and Equality; Department of Culture, Communications and Sport; Department of Further and Higher Education, Research, Innovation and Science; Department of Health; Department of Housing, Local Government and Heritage; Department of Justice Home Affairs and Migration; Local Government Fund account; Office of Public Works; Department of Rural and Community Development and the Gaeltacht; Department of Social Protection; Department of Climate, Energy and the Environment; Department of Transport

- Notes:
- a Some amounts may not tot due to rounding.
 - b 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 prior to 2022 due to an oversight by the Department.
 - c This amount was 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.
 - d This amount was previously reported on as €354 million. The error came to light during the 2025 examination.

Annex 4B 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 of Housing, Local Government and Heritage's website. The allocation process is underpinned by a Government memorandum.

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 2025, 21 local authorities had their allocations supplemented through equalisation.

Local authorities can retain all their LPT projected yield, with all equalisation funding now coming directly from the Exchequer (€110 million in 2025) and from the LGF reserves (€34 million in 2025).

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. The net impact of local authority variations was increased LPT allocations of around €0.23 million in 2025 (2024: €7 million decrease).

Local authorities above the baseline are required to use some of their allocation for expenditure on housing and roads that would otherwise be funded by the Exchequer. This totalled €182 million in 2025 (2024: €167 million).

LPT is used by local authorities to fund local services, for example, parks, libraries, leisure amenities, fire and emergency services, maintenance, cleaning of streets and street lighting.

	2025 Authorities above the baseline	2025 Authorities below the baseline	2025 All	2024 All
Number of local authorities	10	21	31	31
	€m	€m	€m	€m
Total LPT projected yield	384	169	553	529
Equalisation funding				
— Exchequer direct contribution	—	110	110	110
— LGF reserves	—	34	34	39
Pre-variation LPT allocations	384	313	697	678
Adjustment for local variations in tax rate	(22)	22	—	(7)
Total LPT allocation	362	335	697	671
Of which				
— for authority's own general use	180	335	515	504
— self-funding of housing and roads	182	—	182	167

Source: Department of Housing, Local Government and Heritage

Note: a Some amounts may not tot due to rounding.

Annex 4C Water transformation and stranded water costs

Irish Water, now called Uisce Éireann (UÉ), was established in 2013 to allow the transfer of water services from the local authorities (LAs) to one national regulated body. Service level agreements (SLAs) were entered between UÉ and each LA for the period 2013 to 2023, under which the LAs would continue to provide water services and UÉ would pay the LAs for these services.

In June 2022, the Department of Housing, Local Government and Heritage (the Department) published a [Framework for future delivery of water services](#). The framework provides for the transition of water services from LAs to UÉ by end 2026. This includes the voluntary transfer of existing LA water services staff to UÉ as permanent employees.

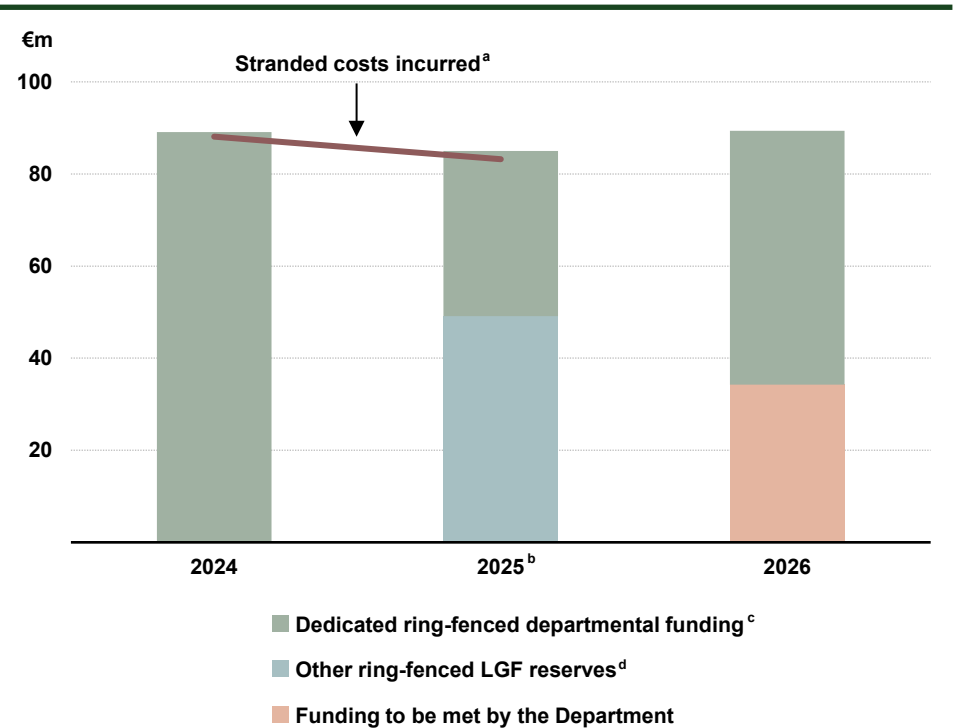
By end 2025, 50% (639) of eligible LA staff (1,266) had transferred to UÉ. A further 14% (178) of the eligible staff were directly recruited by UÉ.

It was agreed as part of the framework (in a memorandum of understanding), that any ‘stranded costs’ borne by LAs arising from the water transformation process would be funded by the Department to end 2026. Stranded costs are central management charges for water service administrative roles remaining in LAs. The charges comprise general operational costs (finance, HR, and IT services, etc.) and associated pension costs.

Since 2023, the Department has provided dedicated annual funding from Vote 34 to the Local Government Fund (LGF) for stranded water costs to be met in the following year. At the end of each of the years, 2023 to 2025, the Department ring-fenced some of the LGF’s reserves to meet projected stranded water costs in the following year. The ring-fenced reserves comprise the Department’s dedicated funding, and a portion of other accumulated reserves (see Figure 4C.1).

The Department has stated that total stranded costs for 2026 are estimated at €89.4 million — €55.14 million of which will be funded from LGF ring-fenced reserves, and the balance will be met by the Department in 2026. The Department has also stated that any future funding arrangements for local authorities regarding the loss of water services-related income post-2026 is a Government policy matter and has yet to be agreed.

Figure 4C.1 Stranded water funding and costs 2024 – 2026



Source: Department of Housing, Local Government and Heritage and Local Government Fund accounts. Analysis by the Office of the Comptroller and Auditor General.

Notes:

- a Includes accrued costs.
- b 2026 funding is based on projected stranded costs for 2026 as at end 2025.
- c This relates to dedicated departmental funding provided to the LGF in 2023, 2024 and 2025 for stranded water costs to be met in 2024, 2025 and 2026 respectively. The funding is underpinned by an annual Government decision.
- d Funding met from other accumulated LGF reserves specifically ring-fenced in 2024 for stranded water costs in 2025.

5 Net cost of banking stabilisation measures

- 5.1** Following the onset of the banking crisis in 2008, the State undertook a number of measures to stabilise the banking system, including
- substantial recapitalisation of domestic banks
 - the provision by the Central Bank of exceptional liquidity assistance to domestic banks
 - Government guarantees of deposits and certain other liabilities
 - the establishment of the National Asset Management Agency (NAMA) to acquire impaired assets from banks.
- 5.2** The exceptional measures undertaken were complex and interrelated and have had a long-term impact on the Exchequer. While certain transactions can be readily identified — e.g. amounts invested in recapitalising banks, proceeds from disposals and income accruing from the investments — estimation procedures are required to identify other costs incurred by the State.
- 5.3** Estimates of the net cost of banking stabilisation measures have been presented previously, most recently summarising outcomes up to end 2021.¹ Since then, there has been a substantial outworking and finalisation of many of the stabilisation measures including
- the State's disposal of all its remaining shareholding in Bank of Ireland and in Allied Irish Banks plc (AIB)
 - a process is actively underway for the sale of Permanent TSB (PTSB), in which the State holds a 57% stake
 - the Central Bank of Ireland has disposed of all Government bonds which it acquired following the liquidation of the Irish Bank Resolution Corporation (IBRC)
 - crisis-related bank liability guarantee schemes were formally wound up in December 2025, and
 - NAMA was formally dissolved on 1 August 2026.²
- 5.4** This report was undertaken to review the estimate of net cost to take account of these developments and of information available up to the end of 2025.

¹ *Report on the Accounts of the Public Services*, [2014](#), [2016](#), [2018](#) and [2021](#).

² Section 8, [National Treasury Management Agency \(Miscellaneous Provisions\) Act 2026](#).

Overview of net cost

- 5.5** This examination has calculated that the net cost to the State from banking stabilisation measures was around €42 billion (see Figure 5.1). This is broadly consistent with the results reported previously, based on the information available at the time.

Figure 5.1 Estimated net outturn from banking stabilisation measures as at end 2025

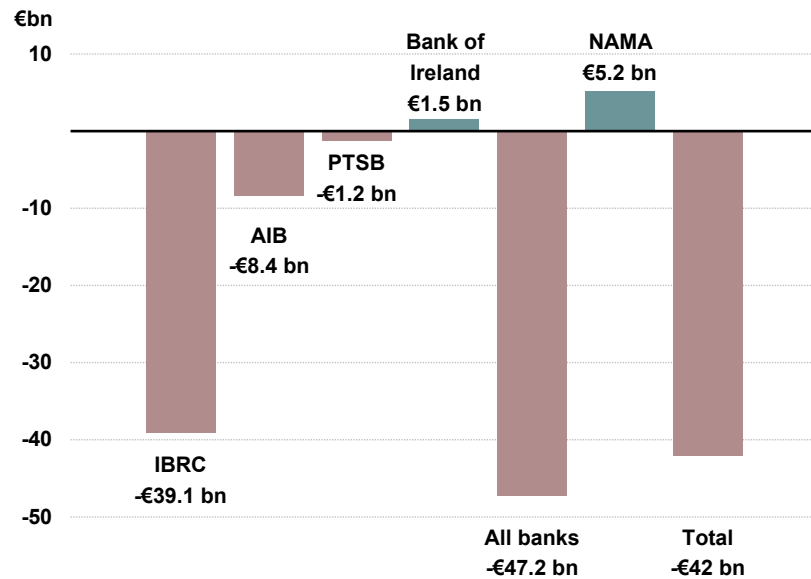
Net investments	€bn	€bn
Investments in banks	66.8	
Disposals of equity/shares	(22.1)	
Estimated residual value of investments at end 2025	(0.9)	43.8
<i>Add net cost of debt servicing</i>		
Cost of debt servicing (estimated) ^a	34.8	
Central Bank additional income (estimated) ^b	(19.6)	15.2
<i>Less income from investments/other measures</i>		
Dividends and interest	(6.4)	
Net income from liability guarantee schemes and IBRC special liquidator	(5.4)	(11.8)
Net cost to the State for the banks		47.2
NAMA surplus ^c		(5.2)
Estimated net outturn to the State from banking stabilisation measures as at end 2025		42.0
Estimated long-term recurring annual cost of servicing the debt: €0.65 bn to €0.85 bn a year^d		

Source: Analysis by the Office of the Comptroller and Auditor General. Further detail is set out in Annex 5A.

- Notes:
- a The estimated cost of servicing the debt associated with the investment in banks includes the imputed debt service costs of investments made by the Ireland Strategic Investment Fund and premiums paid by the National Treasury Management Agency when it redeemed Government bonds issued to the Central Bank to replace promissory notes.
 - b Estimated portion of the Central Bank's income attributable to banking stabilisation measures.
 - c Between 2020 and 2025, NAMA paid to the Exchequer or transferred assets to the State amounting to a total of €5.1 billion. At end 2025, NAMA reported additional accumulated retained earnings of €0.1 billion.
 - d Range assuming rates of 1.5% to 2% per year; the actual cost will be determined by the State's cost of borrowing. The annual debt servicing cost in 2025 was 1.54%.

Estimated net outturn for individual banks

- 5.6** The estimated net outturn for each bank has also been estimated, taking account of the estimated residual value of the State's investment in PTSB on 31 December 2025 (see Figure 5.2). Across the four banks, the outturn indicated is a net cost of €47.2 billion. This net cost is offset by NAMA's accumulated earnings of €5.2 billion, which cannot be readily attributable to loans acquired from specific banks.

Figure 5.2 Estimated net outturn for individual banks as at end 2025

Source: Analysis by the Office of the Comptroller and Auditor General. Further detail is set out in Annex 5A.

Irish Bank Resolution Corporation

- 5.7** In July 2011, Anglo Irish Bank (Anglo) and the Irish Nationwide Building Society (INBS) were merged to form IBRC. The State had, by that time, invested €4.1 billion in cash and €30.6 billion by way of promissory notes in the two entities. The promissory notes were held by the Central Bank as collateral for lending to IBRC.
- 5.8** In February 2013, following the appointment of special liquidators to IBRC, the Central Bank acquired related Government bonds with a nominal value of €28.5 billion.³ Between 2013 and 2023, the Central Bank disposed of these bonds, mainly to the National Treasury Management Agency (NTMA). From the State's perspective, the gains accruing to the Central Bank from the interest and premiums paid to it by the NTMA offset the expense incurred by the NTMA.⁴
- 5.9** Overall, IBRC accounted for a net cost of €39.1 billion, taking account of
- the State investment of €34.7 billion
 - the net cost of servicing the debt associated with the investment, amounting to €5.8 billion up to 31 December 2025⁵
 - the recovery of €2.5 billion in cash — €0.5 billion in fees in respect of liability guarantee schemes and €2 billion from the IBRC special liquidators, and
 - payment of just over €1.1 billion in respect of claims by IBRC customers under liability guarantee schemes.

3 Promissory notes to the value of €25.034 billion were replaced by Government bonds with maturities ranging from 2038 to 2053. The Central Bank also acquired €3.5 billion of the 5.4% 2025 Government bond.

4 The Central Bank earned €16.8 billion from payments made to it by the NTMA — €4.2 billion in net interest and gains of €12.6 billion from the disposal to the NTMA of the Government bonds.

5 The cost of servicing the debt was €25.2 billion, offset by related Central Bank income of €19.4 billion — €16.8 billion from NTMA receipts, €0.9 billion from the sale of the 5.4% Government bond on the open market and €1.7 billion from interest paid by IBRC in respect of exceptional liquidity assistance provided by the Central Bank.

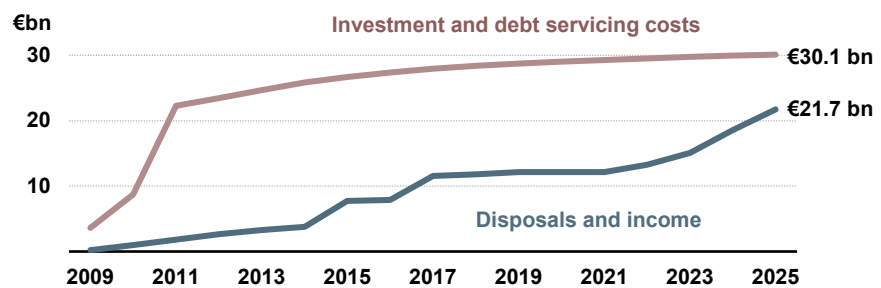
Allied Irish Banks plc

5.10 The estimated net cost of the State's investment in AIB amounted to €8.4 billion (see Figure 5.3).

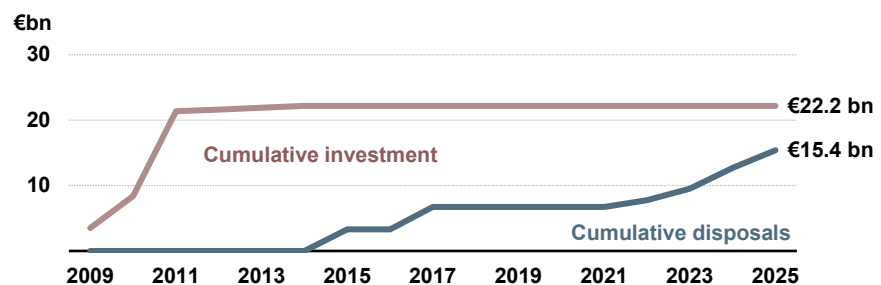
- The total investment amounted to €22.2 billion. The estimated net cost of servicing the associated debt to end 2025 was €7.9 billion.
- The State received an aggregate €15.4 billion from disposals of shares in AIB.
- Income to the State, mainly in the form of dividends on shareholdings and liability guarantee fees, amounted to €6.3 billion to the end of 2025.

Figure 5.3 State investment in AIB, 2009 – 2025

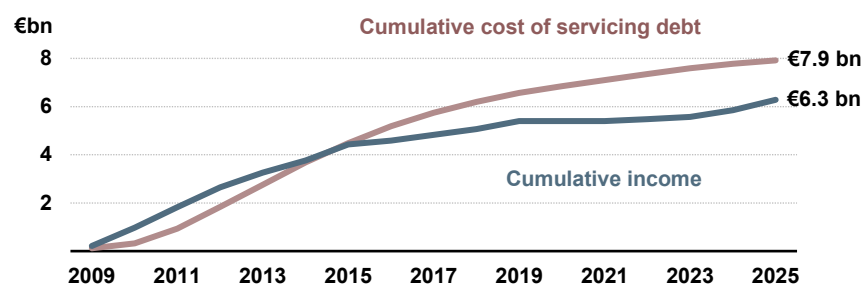
Investment and debt servicing costs, and disposals and income



Investments and disposals



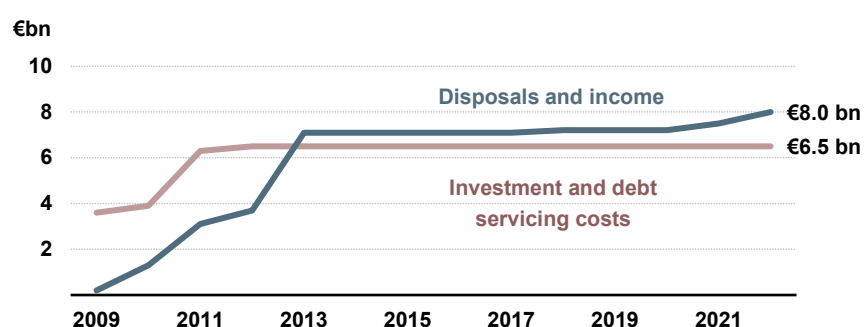
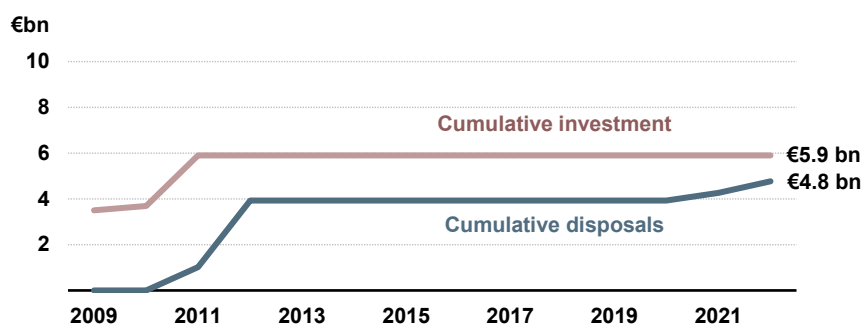
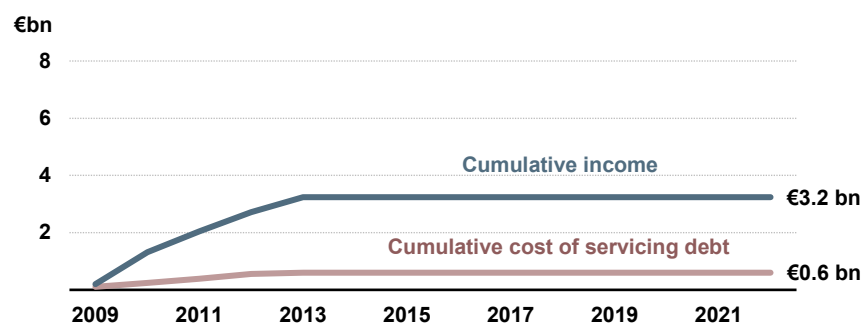
Income and debt servicing costs



Source: Analysis by the Office of the Comptroller and Auditor General. See Annexes 5A, 5B and 5C.

Bank of Ireland

- 5.11** The estimated net surplus to the State from its investment in Bank of Ireland was €1.5 billion (see Figure 5.4).
- 5.12** The total investment amounted to €5.9 billion. The State received €4.8 billion from disposal of the shares, which was completed in 2022. The net cost of servicing the associated debt was €0.6 billion, but this was offset by income — mainly in the form of dividends and liability guarantee fees — totalling €3.2 billion.

Figure 5.4 State investment in Bank of Ireland, 2009 – 2022**Investment and debt servicing costs, and disposals and income****Investments and disposals****Income and debt servicing costs**

Source: Analysis by the Office of the Comptroller and Auditor General. See Annexes 5A, 5B and 5C.

Permanent TSB

- 5.13** The net cost of the State's investment in Permanent TSB amounted to €1.2 billion.
- The State invested €4 billion.
 - To end 2025, the State has recovered €1.9 billion from share disposals, and the value of the State's residual holding at end 2025 was estimated at €0.9 billion.
 - The net cost of servicing the PTSB-associated debt amounted to €0.9 billion. This cost was offset by income of €0.9 billion, which included fees received in respect of liability guarantee schemes of €0.7 billion.

National Asset Management Agency

- 5.14** NAMA was established to acquire certain property-related bank assets (largely loans to debtors who had invested in property) from Irish banks, to hold and manage the loans and related collateral, and ultimately to dispose of these assets in a manner that protects the State's interests.⁶
- 5.15** NAMA paid €31.8 billion to banks to purchase relevant loans in respect of which the borrowers owed just over €74.4 billion. At the point of sale, the banks incurred losses on the loans of €42.6 billion (57% of the carrying value of the loans), precipitating their requirement for recapitalisation.
- 5.16** Between 2020 and 2025, NAMA paid to the Exchequer or transferred assets to the State amounting to a total of €5.1 billion out of its accumulated retained earnings.⁷ NAMA's financial statements at end 2025 reported additional accumulated retained earnings of €79 million. NAMA was formally dissolved on 1 August 2026.
- 5.17** NAMA managed the loan assets it acquired from the participating institutions by reference to 'debtor connection' portfolios, many of which comprised borrowing acquired from multiple credit institutions. It is not practical, therefore, to apportion NAMA's contribution to the Exchequer directly to individual banks.

6 The banks were Anglo, AIB, Bank of Ireland, INBS and the Educational Building Society (EBS).

7 Of the €5.1 billion, €425 million was in the form of asset transfers to the Land Development Agency. The balance of the €5.1 billion was paid to the Exchequer in cash.

8 Prudential capital assessment review (PCAR 2011), which identified further capital requirements in three banks — AIB, Bank of Ireland and PTSB. IBRC was not subject to PCAR 2011.

9 The investments were originally made by the National Pensions Reserve Fund (NPRF). In 2014, the assets of the NPRF transferred to the ISIF.

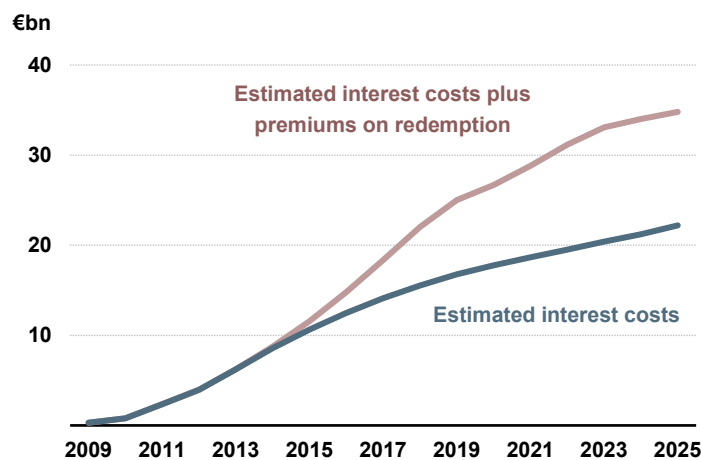
Capitalisation of the banks

- 5.18** Between March 2009 and the end of 2010, the State invested a total of €46.8 billion in the banks. Following a Central Bank review in 2011, the State invested a further €20 billion in the period 2012 – 2014.⁸
- 5.19** The investments, totalling €66.8 billion, were funded as follows.
- The **Exchequer**: €44.4 billion, including €30.85 billion in the form of promissory notes. The promissory notes were eligible collateral for the banks for exceptional liquidity assistance from the Central Bank.
 - The **Ireland Strategic Investment Fund** (ISIF): €22.4 billion, including €1.7 billion of equity interest received in lieu of dividends on preference shares.⁹
- 5.20** Further detail on the investments, disposals and the income from the banks is set out in Annex 5B.

Debt-related costs

- 5.21** Because the investments in the banks were funded substantially by increased borrowing, the State bears annual debt service and other related costs.
- 5.22** The ISIF funded its investments from its own resources. Therefore, there was no direct interest charge. However, there is an opportunity cost to the State for the investment. For the purposes of this examination, the imputed opportunity cost has been calculated as the interest incurred by the Exchequer on the borrowings that could have been avoided if the ISIF funds had been available to the State for purposes other than investing in banks.
- 5.23** In total, the debt-related cost to the State was €34.8 billion over the period 2009 – 2025 (see Figure 5.5). The cost comprises
- estimated interest costs totalling €22.2 billion, including the imputed interest cost of investments made by the ISIF
 - premiums totalling €12.6 billion paid by the NTMA when it redeemed stabilisation-related Government bonds that had been issued to the Central Bank.¹⁰

Figure 5.5 Cumulative estimated debt-related costs associated with the State's investment in banks, 2009 – 2025



Source: Analysis by the Office of the Comptroller and Auditor General. See Annex 5C.

Central Bank income related to banking stabilisation

- 5.24** The cost to the State of the debt associated with banking stabilisation was partially offset by related income of the Central Bank. For the years 2009 to 2023, it is estimated that around €19.6 billion of the Central Bank's income was attributable to financial instruments held as a result of banking stabilisation measures (see Figure 5.6).

¹⁰ The premiums arose because the yield on Government bonds was lower at the time of disposal than when the Central Bank acquired the bonds.

Figure 5.6 Estimate of Central Bank income attributable to transactions in respect of banking stabilisation measures, 2009 – 2023

	Net interest income	Gains on bond disposal	Total
	€bn	€bn	€bn
Exceptional liquidity assistance (ELA) ^a	1.89	n/a	1.89
Government bonds, or Government-guaranteed bonds, held by the Central Bank ^{b,c}	4.16	13.52	17.68
Total	6.05^d	13.52	19.57

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

- Notes:
- a Between 2009 and 2013, ELA was advanced to four banks capitalised by the State.
 - b These included IBRC-related bonds issued by NAMA, bonds issued to meet a promissory note payment of €3.06 billion, and bonds issued to replace promissory notes to the value of €25.034 billion when the IBRC was liquidated.
 - c €12.6 billion of the gains was paid by the NTMA when it redeemed Government bonds held by the Central Bank; the remaining €0.9 billion was realised from a sale on the open market.
 - d Interest income is net of related interest expense of around €0.3 billion.

5.25 Exceptional liquidity assistance was provided mainly to IBRC, and all of the income and gains in respect of Government bonds were related to IBRC. In total, an estimated €19.4 billion (99%) of the Central Bank's income for the years 2009 – 2023 that arises from banking stabilisation measures is attributable to transactions between the Central Bank and IBRC. The balance is attributable to Bank of Ireland (€99 million), AIB (€66 million) and PTSB (€44 million).

5.26 The interest on the bonds held by the Central Bank (€4.2 billion) and the premiums paid when the NTMA bought back bonds (€12.6 billion) was paid by the NTMA from Exchequer funds. The remaining €2.8 billion was paid by the banks in receipt of exceptional liquidity assistance (€1.9 billion) or was realised from the bond sale on the open market (€0.9 billion).

5.27 All of this €19.6 billion Central Bank income was applied for the benefit of the State either to defray the Central Bank's costs (€2.2 billion), to increase the Bank's reserves (€3.4 billion) or to increase the annual dividend to the Exchequer (€14 billion). This partially offset the cost to the State of servicing the debt associated with banking stabilisation measures.¹¹

11 The Central Bank's total proceeds from the Government bonds for the years 2020 – 2023 amounted to €4.9 billion. The Central Bank's total profit for the same period (before actuarial gains or losses) amounted to around €2.7 billion. Thus, €2.2 billion of the bond income defrayed costs. In all earlier years, total profits were greater than proceeds from the bonds.

12 The net cost of the investments at end 2025 takes account of the residual value of the State's shareholding in PTSB (€0.9 billion).

Ongoing debt service costs from 2025

5.28 At the end of 2025, the Exchequer continues to incur the cost of servicing the debt associated with the net €42 billion cost of the investment in the banks, which remains a long-term liability for the State.¹² The annual cost to the State of servicing this debt will be around €420 million for each percentage point of the State's weighted average cost of borrowing.

5.29 Because of the disposal of the shareholdings in AIB and Bank of Ireland, and of the limited unrealised assets held by the State at end 2025 (€0.9 billion), there is little scope for additional stabilisation-related income after the end of 2025.

Liability guarantee scheme income

- 5.30** The State guaranteed certain bank liabilities under three main schemes.
- No fees were payable to the State for the Deposit Guarantee Scheme under which deposits by individuals in covered credit institutions are guaranteed to a limit of €100,000 per eligible depositor per institution.¹³
 - The Credit Institutions (Financial Support) Scheme, which operated between 2008 and 2010, provided a guarantee for a broad range of bank liabilities for seven institutions that opted to avail of the scheme.¹⁴ The credit institutions were required to make payments for the protection provided under the scheme.¹⁵
 - The Eligible Liabilities Guarantee Scheme came into effect in December 2009 and closed to new liabilities in March 2013. The scheme ended in March 2018. The four institutions that participated in the scheme were required to pay fees for the cover they received.^{16,17}
- 5.31** By the end of 2025, the State had received net income of around €5.4 billion under the schemes. €4.5 billion had been received in fees. In addition, just over €1.1 billion had been paid in claims, and €2 billion had been received from the IBRC special liquidators.

Conclusions

- 5.32** By the end of 2025, the estimated cost to the State of measures taken to stabilise the banking system was an estimated net €42 billion. This estimate takes account of the value at the end of 2025 of the State's remaining shareholding in Permanent TSB (€0.9 billion) and NAMA's retained earnings (€0.1 billion).
- 5.33** The most significant cost to the State was in respect of IBRC, which had an estimated net cost of €39.1 billion.
- 5.34** The net outturn for the transactions related to the other banks varied.
- The stabilisation of AIB had an estimated net cost of €8.4 billion.
 - The stabilisation of PTSB had an estimated net cost of €1.2 billion, after taking account of the value of the State's residual shareholding at end 2025.
 - The investment in Bank of Ireland and the cost of servicing the debt resulted in a net surplus of €1.5 billion for the State. This was the only investment in the rescued banks to yield a positive return.
- 5.35** The net cost to the State of the investments in the individual financial institutions — €47.2 billion — was partially offset by NAMA's accumulated lifetime surplus of €5.2 billion.
- 5.36** Given the very limited scope for any further returns, the estimated value of the long-term debt incurred by the State associated with the stabilisation of the financial institutions is just over €42 billion. This represented just over 18% of Ireland's national debt at end 2025.

¹³ Only institutions that are licensed to receive deposits in Ireland and are authorised by the Central Bank are covered.

¹⁴ The institutions that availed of the scheme were AIB, Anglo, Bank of Ireland, EBS, Irish Life and Permanent, INBS and Postbank Limited (the 'covered' banks).

¹⁵ The Credit Institutions (Financial Support) Scheme was formally revoked in December 2025 ([SI 614/2025](#)).

¹⁶ AIB (including EBS), IBRC, Bank of Ireland and PTSB.

¹⁷ The Eligible Liabilities Guarantee Scheme was formally revoked in December 2025 ([SI 615/2025](#)).

- 5.37** The estimate of net cost of €42 billion does not take account of additional interest costs that will arise in the future from funding the associated debt. The ongoing debt service cost will be determined by the prevailing borrowing costs for the State. The average debt service cost of 1.54% in 2025 would result in an associated annual cost of almost €650 million.

Annex 5A Estimated net outturn, by bank, from banking stabilisation measures as at 31 December 2025

	AIB ^a	Bank of Ireland	Permanent TSB ^a	Trading banks total	IBRC ^a	Total
	€bn	€bn	€bn	€bn	€bn	€bn
Cost of capitalising banks, through investments	(22.2)	(5.9)	(4.0)	(32.1)	(34.7)	(66.8)
Disposals of investments	15.4	4.8	1.9	22.1	—	22.1
Estimated cost of servicing debt associated with the investments	(8.0)	(0.7)	(0.9)	(9.6)	(25.2)	(34.8)
Related income from the Central Bank ^b	0.1	0.1	—	0.2	19.4	19.6
Income from investments	4.5	1.7	0.2	6.4	—	6.4
Fees received under liability guarantee schemes	1.8	1.5	0.7	4.0	0.5	4.5
Claims made under liability guarantee scheme	—	—	—	—	(1.1)	(1.1)
Receipts from IBRC special liquidators	—	—	—	—	2.0	2.0
NAMA surplus ^c	n/a	n/a	n/a	n/a	n/a	5.2
Estimated net costs as at 31 December 2025	(8.4)	1.5	(2.1)	(9.0)	(39.1)	(42.9)
Estimated residual value of shares as at 31 December 2025 ^d	—	—	0.9	0.9	—	0.9
Estimated net outturn as at 31 December 2025	(8.4)	1.5	(1.2)	(8.1)	(39.1)	(42.0)

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

- Notes:
- a Investments in AIB include those in EBS which was acquired by AIB in July 2011. Irish Life and Permanent changed its name to Permanent TSB in May 2012. IBRC was formerly Anglo Irish Bank and Irish Nationwide Building Society.
 - b Around €40 million of the related income from the Central Bank is attributable to Permanent TSB.
 - c NAMA's accumulated earnings cannot be attributed to individual banks.
 - d See Annex 5B for further details.

Annex 5B Capitalisation of banks through investments

In total, the State made capital injections of €66.8 billion, net of fee income of just over €260 million, into four financial institutions and had, by the end of 2025, made disposals of €22.1 billion (see Figure 5B.1).

Figure 5B.1 Capitalisation of banks — investments and disposals, December 2025

	AIB	Bank of Ireland	Permanent TSB	Trading banks total	IBRC	Total
	€bn	€bn	€bn	€bn	€bn	€bn
Investments						
Ordinary shares ^a	(10.8)	(3.1)	(2.3)	(16.2)	(4.1)	(20.3)
Preference shares ^b	(3.5)	(1.8)	—	(5.3)	—	(5.3)
Capital contribution	(6.0)	—	—	(6.0)	—	(6.0)
Contingent capital notes ^c	(1.6)	(1.0)	(0.4)	(3.0)	—	(3.0)
Value of promissory notes issued ^d	(0.3)	—	—	(0.3)	(30.6)	(30.9)
Irish Life	—	—	(1.3)	(1.3)	—	(1.3)
Total investment^e	(22.2)	(5.9)	(4.0)	(32.1)	(34.7)	(66.8)
Disposals						
Ordinary shares	12.1	1.9	0.2	14.2	—	14.2
Preference shares	1.7	1.9	—	3.6	—	3.6
Contingent capital notes	1.6	1.0	0.4	3.0	—	3.0
Irish Life	—	—	1.3	1.3	—	1.3
Disposals of investments	15.4	4.8	1.9	22.1	—	22.1
Net investments	(6.8)	(1.1)	(2.1)	(10.0)	(34.7)	(44.7)

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

- Notes:
- a Ordinary shares include dividends on preference shares received in the form of ordinary shares (AIB €1.41 billion and Bank of Ireland €0.25 billion).
 - b In March 2009, the ISIF invested €3.5 billion in preference shares in Bank of Ireland. In Q1 2010, a total of €1.66 billion of these shares were converted to ordinary shares (included in ordinary shares above).
 - c Contingent capital notes qualify as tier two capital. They convert to ordinary shares under certain circumstances, including if the core tier one capital ratio falls below 8.25%.
 - d The promissory notes held by IBRC were cancelled in February 2013 and exchanged between the NTMA and the Central Bank for floating rate treasury bonds totalling €25.034 billion.
 - e Net of fee income deducted from investments which totalled around €260 million.

Income from investments in banks and estimated residual value of State's investments in banks

Total income received in respect of the investments to the end of 2025 amounted to €6.4 billion and the estimated residual value of the State's investment in Permanent TSB was €0.9 billion.

Figure 5B.2 Income from State's investments in banks 2009 to 2025, and estimated residual value as at December 2025

Income from investments	AIB	Bank of Ireland	Permanent TSB	Total
	€bn	€bn	€bn	€bn
Ireland Strategic Investment Fund				
Fee income on preference shares	0.03	0.03	—	0.06
Ordinary shares in lieu of dividends on preference shares	1.41	0.25	—	1.66
Dividends on ordinary shares	1.36	0.04	—	1.40
Dividends on preference shares	0.45	0.74	—	1.19
Cancellation of share warrants	0.44	0.49	—	0.93
Exchequer				
Coupon interest on contingent capital notes	0.80	0.15	0.15	1.10
Accrued dividend on sale of Irish Life	—	—	0.04	0.04
Total	4.49	1.70	0.19	6.38
Estimated residual value of investments				Valuation €bn
IBRC				—
Permanent TSB ^a				0.9
Total				0.9

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

Note: a The equity held in Permanent TSB was valued at market prices.

**Annex 5C Estimated cost of servicing debt associated with the investments,
2009 – 2025 (including the imputed debt service costs of ISIF
investments)**

By year	2009 – 2021	2022	2023	2024	2025	Total
	€bn	€bn	€bn	€bn	€bn	€bn
Source of funding						
Exchequer ^a	21.9	2.1	1.7	0.7	0.7	27.1
ISIF	6.8	0.3	0.3	0.2	0.1	7.7
Total	28.7	2.4	2.0	0.9	0.8	34.8

By bank	AIB	Bank of Ireland	Permanent TSB	Trading banks total	IBRC	Total
	€bn	€bn	€bn	€bn	€bn	€bn
Source of funding						
Exchequer ^{a,b}	1.0	—	0.9	1.9	25.2	27.1
ISIF	7.0	0.7	—	7.7	—	7.7
Total	8.0	0.7	0.9	9.6	25.2	34.8

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

- Notes:
- a Exchequer source of funding includes interest paid on promissory notes issued in 2010, interest paid on floating rate Government bonds that were issued to replace the promissory notes and premiums paid by the NTMA to repurchase floating rate notes from the Central Bank.
 - b Around €40 million was incurred in respect of Exchequer funding for Bank of Ireland. Due to rounding, this appears as nil in this table.

6 Implementation of the Central Government Accounting Standards

- 6.1** As part of its programme to modernise central government financial management and accounting, the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (the Department of Public Expenditure) is developing and rolling out a framework of Central Government Accounting Standards (CGAS). The standards are being developed by the Department of Public Expenditure based on the International Public Sector Accounting Standards (IPSAS).¹ A total of 29 individual standards are currently envisaged for development within the framework (see Annex 6A).
- 6.2** The CGAS apply to all central government departments and offices.² Implementation of the standards is expected to formalise accrual accounting financial reporting alongside the existing cash accounting framework.
- 6.3** The CGAS are being implemented on a phased basis (see Figure 6.1). It is currently expected that all of the planned 29 CGAS will be in place for 2028 and later years of account.

Figure 6.1 Timetable for implementation of CGAS

Year of account	Standards (to be) introduced
2024	9
2025	7
2026	7
2027	2
2028	4
Total	29

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

1 IPSAS are developed by the International Public Sector Accounting Standards Board, which is primarily funded by the International Federation of Accountants.

2 The CGAS also apply to the Houses of the Oireachtas Commission, the National Training Fund and the Social Insurance Fund.

3 See *Report on the Accounts of the Public Services 2024*, chapter 3, [Central government accounting standards](#).

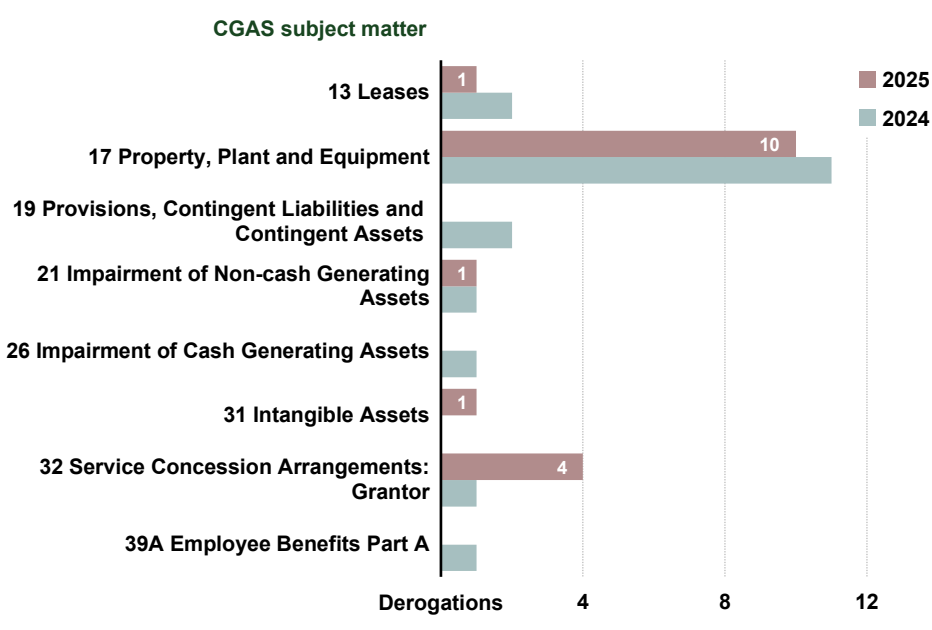
4 [Circular 19/2024 Central Government Accounting Standards 2025](#) issued to heads of departments on 9 December 2024.

- 6.4** The first nine CGAS became effective for the 2024 year of account and subsequent periods.³ Those standards primarily relate to the statements of financial position. A further seven CGAS became effective for the 2025 year of account and subsequent periods. These primarily relate to revenue recognition and expenditure.⁴
- 6.5** This examination was undertaken to present an overview of progress by departments and offices in implementing the relevant CGAS effective for the 2025 year of account and to highlight any specific CGAS which departments and offices are experiencing most difficulty in implementing. In addition to consideration of compliance with the new standards as part of individual audits, the examination team reviewed relevant correspondence and submissions and engaged with officials from the Department of Public Expenditure.

Progress in CGAS implementation

- 6.6** Departments and offices unable to fully comply with any of the 16 CGAS that are in effect for 2025 were required to seek approval from the Department of Public Expenditure for a temporary derogation in respect of any material non-compliance.⁵ They were also required, in seeking this approval, 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 relevant period.
- 6.7** In 2025, full compliance with the applicable CGAS was not achieved (see Figure 6.2). Thirteen bodies received temporary derogation for the 2025 year of account from one or more CGAS. Nine received a derogation from one CGAS; four received derogations from two CGAS.
- 6.8** No department or office sought a derogation from the new CGAS that became effective in 2025. The Department of Public Expenditure informed departments and offices that
- derogations for non-compliance with paragraph 11(a) of CGAS 39A Employee Benefits Part A were not required for the 2025 year of account⁶
 - CGAS 42 Social Benefits included a transitional period for the year 2025 and the first reporting financial year would be 2026.⁷
- 6.9** Fewer derogations were sought in 2025 in respect of the CGAS that became effective in 2024, reflecting improved compliance within departments and offices.

Figure 6.2 Temporary derogations granted for the 2024 and 2025 years of account, by CGAS



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

⁵ The CGAS include the principle of materiality in the preparation of accrual-based financial statements. This requires that there should be no material omissions or misstatements in the application of the standards. A material omission is an omission that would influence the decisions or assessments of users made on the basis of the financial statements.

⁶ [Circular 06/2026 Central Government Accounting Standards 2026](#) sets out that the overpayments disclosure in note 5 to the appropriation account will suffice as a transitional measure for 2025.

⁷ The transitional period was set out in [Circular 19/2024 Central Government Accounting Standards 2025](#).

- 6.10** The most significant area where derogations were granted was in respect of property, plant and equipment (CGAS 17).⁸ Ten bodies received temporary derogation from CGAS 17 for the 2025 year of account. Seven of these bodies had previously received derogation from CGAS 17 for the 2024 year of account, while the remaining three bodies had not previously sought derogation.
- 6.11** While the overall incidence of derogation granted for non-compliance with CGAS has fallen in 2025,
- eight instances of temporary derogation for CGAS effective from 2024 were sought by bodies for the first time in 2025
 - in most remaining cases, the proposed implementation date is later than previously published (see Figure 6.3).⁹

Figure 6.3 Temporary derogations for non-compliance with CGAS

	2024	2025
Bodies granted temporary derogation(s)	13	13
Instances of non-compliance for which temporary derogation was granted	19	17
Latest proposed implementation date	2029	2031

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

Planned CGAS developments in 2026

- 6.12** For the 2026 year of account and subsequent periods
- an additional five CGAS will come into effect across the board for all departments and offices
 - two further standards will also become effective but only for the National Training Fund and the Social Insurance Fund
 - the Department of Climate, Energy and the Environment will be required to begin preparation of the financial statements of the Climate Action Fund and the Circular Economy Fund under CGAS.¹⁰

⁸ [CGAM 17 Property, Plant and Equipment](#) requires that departments/offices should seek to transition to full compliance within a five-year period (i.e. by end 2028). Departments/offices with complex and extensive holdings of land and buildings may receive sanction to increase the transition period to seven years.

⁹ Annex 6B includes more detailed information on the derogations granted for the 2025 year of account.

¹⁰ [Circular 06/2026 Central Government Accounting Standards 2026](#) issued to heads of departments on 16 January 2026.

Annex 6A CGAS currently effective and CGAS planned for implementation to 2028

Central Government Accounting Standard ^a	2024	2025	2026 ^b	2027	2028
2 Cash Flow Statements ^{c,d}			●	→	→
3 Accounting Policies, Changes in Accounting Estimates and Errors ^{c,d}			●	→	→
4 The Effects of Changes in Foreign Exchange Rates ^e	●	→	→	→	→
5 Borrowing Costs	●	→	→	→	→
9 Revenue from Exchange Transactions	●	→	→	→	→
11 Revenue from Construction Contracts	●	→	→	→	→
12 Inventories	●	→	→	→	→
13 Leases	●	→	→	→	→
14 Events after the Reporting Date			●	→	→
16 Investment Property				→	→
17 Property, Plant and Equipment	●	→	→	→	n/a ^f
19 Provisions, Contingent Liabilities and Contingent Assets	●	→	→	→	→
21 Impairment of Non-cash Generating Assets	●	→	→	→	→
23 Revenue from Non-exchange Transactions (Taxes and Transfers)		●	→	→	→
24 Presentation of Budget Information in Financial Statements ^g			●	→	→
26 Impairment of Cash Generating Assets	●	→	→	→	→
27 Agriculture		●	→	→	→
28 Financial Instruments: Presentation			●	→	→
30 Financial Instruments: Disclosure			●	→	→
31 Intangible Assets	●	→	→	→	→
32 Service Concession Arrangements: Grantor	●	→	→	→	→
39A Employee Benefits Part A	●	→	→	→	→
41 Financial Instruments			●	→	→
42 Social Benefits ^h		●	→	→	→
44 Non-current Assets Held for Sale				→	→
45 Property, Plant and Equipment ^f					→

Central Government Accounting Standard ^a	2024	2025	2026 ^b	2027	2028
46 Measurement					Implementation planned
50 Exploration for and Evaluation of Mineral Resources					Implementation planned
51 Tangible Natural Resources					Implementation planned

 Effective
  Transition period^h
 Implementation planned

Source: Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation

- Notes:
- a CGAS follow the same numbering convention as IPSAS so that clear alignment between both frameworks is maintained.
 - b The standards implemented in 2026 cover accounting periods on or after 1 January 2026.
 - c Effective for the National Training Fund, Social Insurance Fund, Climate Action Fund and Circular Economy Fund for the 2026 year of account and subsequent periods.
 - d Implementation by government departments and offices is deferred pending introduction of CGAS 1 Presentation of Financial Statements. A date for the introduction of CGAS 1 has yet to be proposed, therefore it is not included in the current planned framework of 29 standards.
 - e Vote 28 Foreign Affairs early-implemented the CGAS 4 requirements for the treatment of unrealised exchange rate differences for the 2024 year of account.
 - f It is planned to replace CGAS 17 Property, Plant and Equipment with CGAS 45 Property, Plant and Equipment. CGAS 45 will introduce new requirements including enhanced guidance on infrastructure assets, heritage assets and measurement methodologies which are unique to the public sector.
 - g Paragraphs 47 – 53 of CGAS 24 are deferred pending introduction of CGAS 1 Presentation of Financial Statements.
 - h CGAS 42 Social Benefits includes a transitional period for the 2025 year of account. The first reporting financial year will be 2026.

Annex 6B Temporary derogations for the CGAS, effective in 2025^a

Vote in receipt of derogation ^b	Standard	Date of derogation ^c	Proposed implementation date per 2025 derogation ^d	Previously proposed implementation date ^e
Vote 13 Office of Public Works	17 Property, Plant and Equipment	31 March 2026	2029	Within three years ^f
	21 Impairment of Non-cash Generating Assets	31 March 2026	2029	2025
Vote 21 Prisons	17 Property, Plant and Equipment	3 July 2026	2026	2025
	31 Intangible Assets	24 March 2026	2026	Not previously sought ^g
Vote 22 Courts Service	32 Service Concession Arrangements: Grantor	26 March 2026	2026	Not previously sought ^g
Vote 26 Education and Youth	17 Property, Plant and Equipment	31 March 2026	2027 ^h	2027
	32 Service Concession Arrangements: Grantor	31 March 2026	2026	Not previously sought ^g
Vote 27 International Co-operation	17 Property, Plant and Equipment	25 August 2026	2026	Not previously sought ^g
Vote 28 Foreign Affairs and Trade	17 Property, Plant and Equipment	25 August 2026	2026	Not previously sought ^g
Vote 29 Climate, Energy and the Environment	17 Property, Plant and Equipment	25 March 2026	2031	Within transition period ⁱ
Vote 30 Agriculture, Food and the Marine	17 Property, Plant and Equipment	27 March 2026	2027	2026
Vote 31 Transport	13 Leases	30 March 2026	2029	Not previously sought ^g
	17 Property, Plant and Equipment	30 March 2026	2029	Not previously sought ^g
Vote 33 Culture, Communications and Sport ^j	32 Service Concession Arrangements: Grantor	24 March 2026	2030	2028
Vote 34 Housing, Local Government and Heritage	17 Property, Plant and Equipment	26 March 2026	2029	2029
Vote 36 Defence	17 Property, Plant and Equipment	26 March 2026	2029	2029
Vote 45 Further and Higher Education, Research, Innovation and Science	32 Service Concession Arrangements: Grantor	3 September 2026	2027	Not previously sought ^g

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

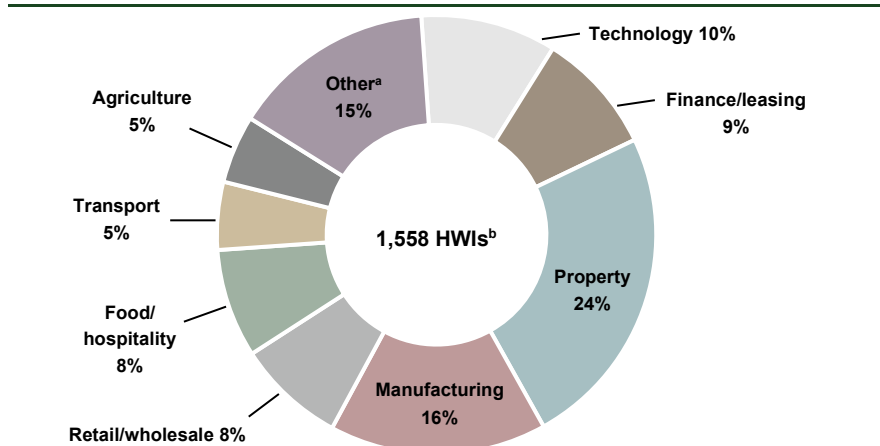
- Notes:
- a [Circular 19/2024 Central Government Accounting Standards 2025](#) requires accounting officers to state in the statement of accounting policies and principles if they have received sanction for a transitional derogation and have a plan to comply in a reasonable timeframe.
 - b The derogation received may relate to one or more elements of the relevant standard.
 - c This reflects the date of the derogation letter issued by the Department of Public Expenditure.
 - d This is based on the detail included in the relevant derogation letter for the 2025 year of account, appropriation account or correspondence with the Department of Public Expenditure.
 - e This is the proposed implementation date published in the *Report on the Accounts of the Public Services 2024*, chapter 3, [Central government accounting standards](#).
 - f The Office of Public Works indicated, in its 2024 appropriation account, that full compliance with CGAS 17 was expected within three years.
 - g Although effective from 1 January 2024, derogation from this CGAS was not previously sought.
 - h The Department of Education and Youth has yet to undertake a project to determine the appropriate accounting treatment for schools built on patron-owned land. This derogation was granted on condition that a compliance plan for those schools will be prepared as part of that project.
 - i For the 2024 year of account, the Department of Public Expenditure indicated that the default position for implementation of CGAS 17 would be within the transitional period of five years from the effective date. However, it indicated that implementation of CGAS 17 by Vote 29 would become clearer in due course.
 - j For the 2024 year of account, the derogation was granted to the then Vote 29 Environment, Climate and Communications.

Revenues of the State

7 Management of high wealth individuals' tax liabilities

- 7.1** In Ireland's tax system, high wealth individuals (HWIs) are individuals with net assets of over €20 million each. In line with its segmented case base structure, the Revenue Commissioners (Revenue) manage the tax affairs of HWIs within a separate dedicated division — the high wealth and financial services division.
- 7.2** Along with managing the tax affairs of HWIs, the division is also responsible for managing and developing service and compliance functions for financial services, tax approval and compliance of pension schemes/products and the identification and challenge of tax avoidance.
- 7.3** As of July 2026, there were 1,901 HWIs being managed by the division, together with just over 3,500 additional taxpayers referred to as 'secondary cases'.¹ In 2024, almost a quarter of HWIs that were obliged to file a tax return were active in the property sector, while 16% were active in manufacturing (see Figure 7.1).

Figure 7.1 Sectoral analysis of high wealth individuals for the tax year 2024



Source: Revenue Commissioners

- Notes:
- a Other includes education, entertainment/media, motor industry, construction, oil sector, professional, investments and trusts.
 - b The sectoral analysis is based on the HWIs that were obliged to file an income tax return in Ireland for 2024 i.e. 1,558 HWIs that filed a Form 11. The remaining HWIs in the case base did not file an Irish tax return as income is not earned in, or remitted to, Ireland.

Focus and methodology

- 7.4** This report examines

- Revenue's systems and procedures for managing the tax risks posed by HWIs
- the impact on taxable income of the reliefs and credits used by HWIs
- the level of taxpayer compliance by HWIs
- the performance targets Revenue has in place to measure its performance in managing HWIs.

¹ Secondary cases are taxpayers connected with a HWI. They include family members that do not have net assets greater than €20 million, non-trading partnerships and companies, foundations, trusts and co-ownerships.

- 7.5 The examination team reviewed key documents and data produced by Revenue, interviewed relevant members of Revenue staff and undertook analysis of relevant datasets. An update was also sought on earlier reporting of Revenue's management of the tax liabilities of high wealth individuals.²

Threshold for high wealth cases

- 7.6 Tax authorities generally use **personal net asset value** as the main criterion for determining whether an individual is regarded as a HWI.
- 7.7 Revenue reduced this threshold from €50 million to €20 million in 2019. This resulted in a significant increase in the number of persons being managed by Revenue in a focused and integrated way as HWIs. There were 480 taxpayers identified as HWIs in June 2018, based on a €50 million threshold. The current number of identified HWIs is almost four times that level.
- 7.8 Revenue reviews the HWI case base annually with individuals (and secondary cases) being added and removed, as required, by applying the threshold of net worth. It currently uses 17 criteria to identify taxpayers with net assets greater than €20 million.

Managing tax compliance risks associated with HWIs

- 7.9 Tax is generally assessed on income rather than wealth and information relating to assets is not required for income tax returns. This makes identifying HWIs and assessing the associated tax compliance risks challenging for revenue bodies.
- 7.10 HWIs also pose significant challenges to tax administrations due to the typical complexity of their affairs, the amounts of tax revenue potentially at risk, the opportunity for aggressive tax planning and the impact of their compliance behaviours on the integrity of the tax system.
- 7.11 Revenue's approach to identifying the tax compliance risks associated with HWIs is set out in Figure 7.2. All HWIs are subject to a comprehensive appraisal when they are assigned to the HWI case base. A reappraisal is carried out when high value transactions, significant events or other risks arise after the initial comprehensive appraisal. However, the examination found that Revenue did not have a mechanism in place for monitoring the extent to which reappraisals are being completed for HWI cases where no high value transactions, significant events or other risks have been identified.
- 7.12 In 2021, Revenue carried out an analysis of the most prevalent tax risks posed by HWIs based on a review of the 15 highest yielding HWI interventions. The cases had a combined yield of €8.5 million arising from 27 risks identified across three tax heads — income tax, capital gains tax and capital acquisitions tax. 67% of the identified yield was attributable to six specific risks across the 15 interventions.

² Report on the Accounts of the Public Services 2017, chapter 18, [Management of high wealth individuals' tax liabilities](#).

Figure 7.2 Revenue's approach to identifying risks posed by HWIs

Method	Description
Appraisals^a	• Comprehensive appraisals — completed on all HWIs when they join the case base to gain a full understanding of an individual's wealth and assess the individual for tax risk. • Reappraisals — carried out when high value transactions, significant events or other risks arise. • Pinpoint appraisals — more focused than comprehensive appraisals and reappraisals as it focuses on a particular transaction/activity.
Data analytics unit	Established in 2021 to provide divisional support, this includes providing reports requested by HWI branches where they have identified tax risks or trends specific to HWIs. The unit created a residency dashboard to show movement on residency for HWIs.
Media monitoring team	Monitors the daily newspapers and provides articles to branches that are relevant to their case base.
Knowledge hub and risk library	Division specific information is available on a dedicated site on Revenue's intranet. It incorporates relevant internal and external reports, worked case examples and presentations related to identifying risks in the HWI case base. Staff can also share cases on the risk library. As of June 2026, there were around 40 cases on the library.
Learning and development sessions	Opportunity for staff to share insights on their case working and build awareness and technical knowledge across the division. This is achieved with monthly 'coffee and case', branch information sharing meetings, cross branch workshops and other learning and development sessions.

Source: Revenue Commissioners

Note: a If a sufficient risk presents during an appraisal, the case worker will recommend that the case is escalated to an intervention commensurate with that risk.

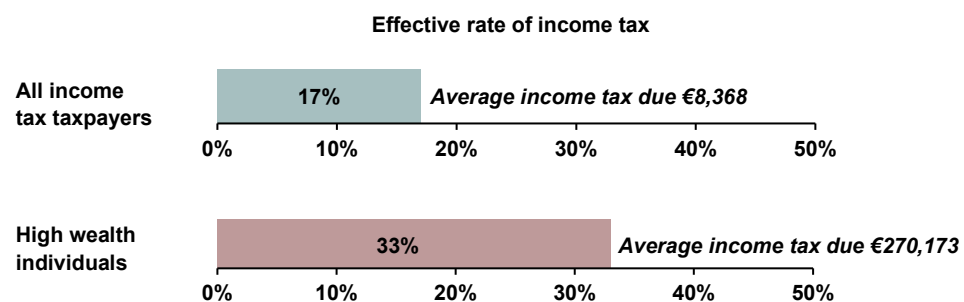
7.13 During 2023, Revenue also reviewed the top tax risks arising in HWI cases identifying 14 key tax risk areas. Revenue explained that this led to a knowledge hub being established to share insights. Revenue uses the 14 tax risk areas to categorise examples of risks included on the hub. Cases in the hub include those which go to appeal, or where counsel or expert opinion has been sought.

7.14 Revenue also monitors the risks giving rise to the highest intervention yields for HWI cases on a monthly basis to assist in identifying the key compliance risks in the HWI case base. However, the monthly data is not collated at an aggregate level, for example on an annual basis.

Income tax for HWIs

- 7.15** In 2024, net tax totalling €27.6 billion was due in relation to all income tax taxpayers. Of this, €421 million (1.5%) was due in relation to 1,558 HWIs that filed an income tax return. This excludes capital gains tax (CGT) and capital acquisitions tax (CAT) receipts.³
- 7.16** In 2024, the effective tax rate for HWIs was 33% — almost double the rate for all income tax taxpayers (17%). The average income tax due from HWIs was almost €270,200 while the average amount of income tax due from all income tax taxpayers was just under €8,400 (see Figure 7.3).

Figure 7.3 Average amounts and effective rates of net income tax, 2024^a



Source: Revenue Commissioners

Note: a Income tax due includes deposit interest retention tax (DIRT).

- 7.17** There are significant variations in the effective tax rates between HWIs (see Figure 7.4). Of the total income tax (€421 million) due from HWIs in 2024, around 24% came from the top 20 HWIs. The relatively low amounts of tax due by many HWIs reflects the amount of taxable income earned in the year and the utilisation of credits and reliefs.
- 7.18** For 2024, 360 HWIs (23%) had declared taxable income less than €125,000.⁴ Of these, 132 HWIs (37%) had declared taxable income of less than the estimated median annual earnings of €44,816 in 2024.⁵

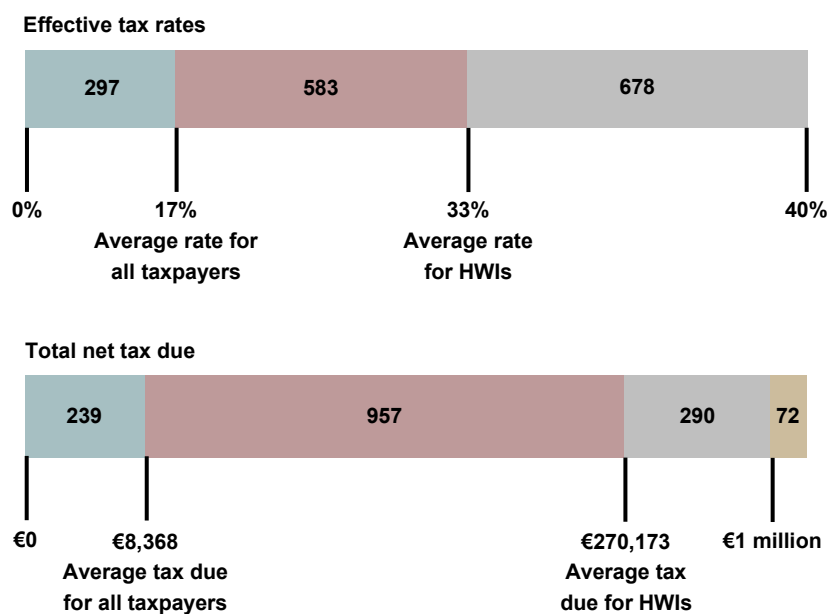
Credits and reliefs

- 7.19** Certain tax reliefs and credits available to taxpayers can reduce their overall tax liability. In 2024, a total of €755 million was claimed in tax credits and reliefs by HWIs in their annual income tax returns. Around 76% (€576 million) of the reliefs claimed related to loss reliefs (see Figure 7.5).

³ In 2024, HWIs paid 12% of all CGT receipts, accounting for approximately €210 million, and 1.4% of all CAT receipts, accounting for approximately €12 million. HWIs' tax liabilities cover a range of tax categories.

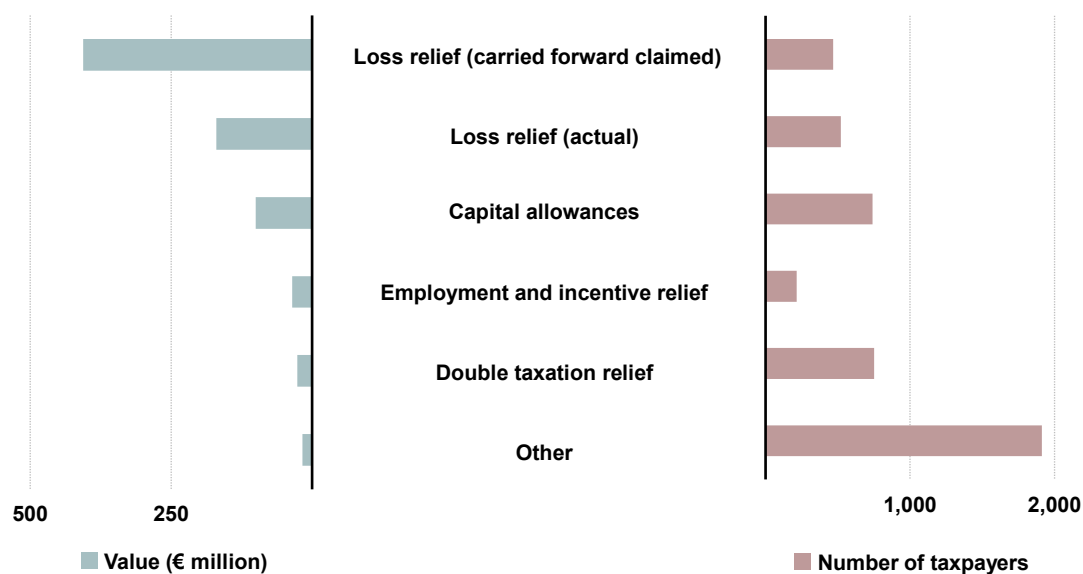
⁴ The income threshold specified in the high-income individuals' relief restriction is €125,000 (see paragraphs 7.20 to 7.23).

⁵ See [Earnings Analysis using Administrative Data Sources 2024](#), Central Statistics Office.

Figure 7.4 Distribution of HWIs by effective income tax rates and total net tax due, 2024^a

Source: Revenue Commissioners. Analysis by the Office of the Comptroller and Auditor General.

Note: a Income tax due includes DIRT.

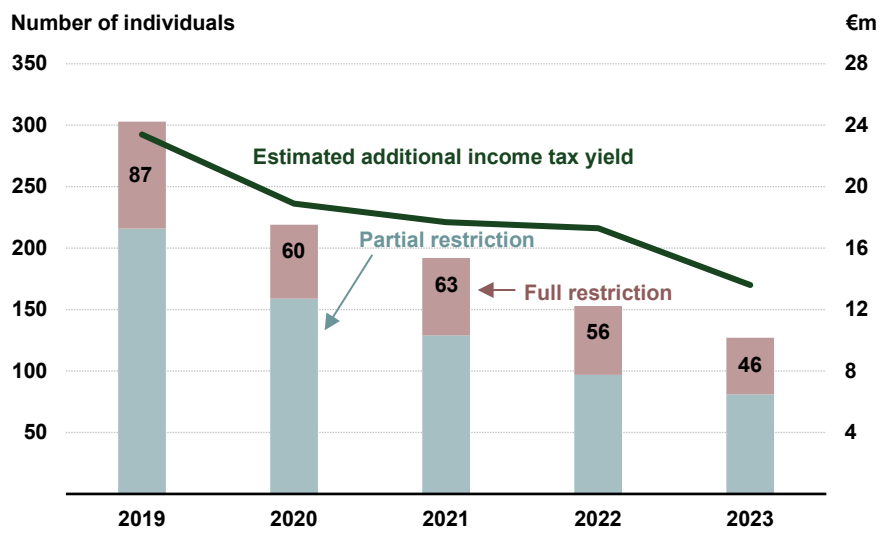
Figure 7.5 Tax credits and reliefs most widely used by HWIs, by cost and number, 2024

Source: Revenue Commissioners

Restriction of reliefs

- 7.20** The high-income individuals restriction limits the use of specified tax reliefs and exemptions by high-income earners, which are capped at a maximum amount each year.⁶ The restriction begins to apply to individuals with adjusted income levels of €125,000, where the aggregate of specified reliefs used is €80,000 or more and greater than 20% of the individual's adjusted income.⁷ The full restriction applies where an individual has an adjusted income of €400,000 or more.
- 7.21** The objective of the restriction is to ensure that individuals earning €400,000 or more (where the full restriction applies) pay an effective income tax rate of approximately 30%. For individuals with adjusted income between €125,000 and €400,000, the graduated application of the restriction ensures that the effective tax rate increases towards 30% as the adjusted income increases.
- 7.22** In 2023, the restriction applied to 127 individuals and the estimated additional income tax yield due to the restrictions was €13.6 million (see Figure 7.6). Of the 127 individuals
- 46 each had an adjusted income of €400,000 or more and paid an average effective income tax rate of almost 30% on the combination of adjusted income and ring-fenced income. When the Universal Social Charge is included, this rose to an average of 39%.
 - 81 individuals with an adjusted income of up to €400,000 each paid an average effective income tax rate of 17.5% on the combination of adjusted income and ring-fenced income. When the Universal Social Charge is included, this rose to an average of around 26%.

Figure 7.6 High-income individuals using reliefs subject to restriction, 2019 – 2023^a



Source: Revenue Commissioners

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

6 A full list of the reliefs and exemptions covered by the restriction is set out in Schedule 25B Taxes Consolidation Act 1997.

7 Adjusted income for a tax year is the sum of an individual's taxable income (before the restriction is applied) plus the aggregate amount of specified reliefs used in the year, less ring-fenced income (income which is normally liable to tax at specific rates regardless of the amounts involved or the individual's marginal rate of tax e.g. interest from which DIRT is deducted).

7.23 Revenue stated that the reduction in the numbers of those subject to the restriction is due to the elimination of a range of specified tax reliefs that are available to individuals. This has reduced the overall amount of income being sheltered from tax under the reliefs and consequently falling under the restriction each year.

Domicile levy

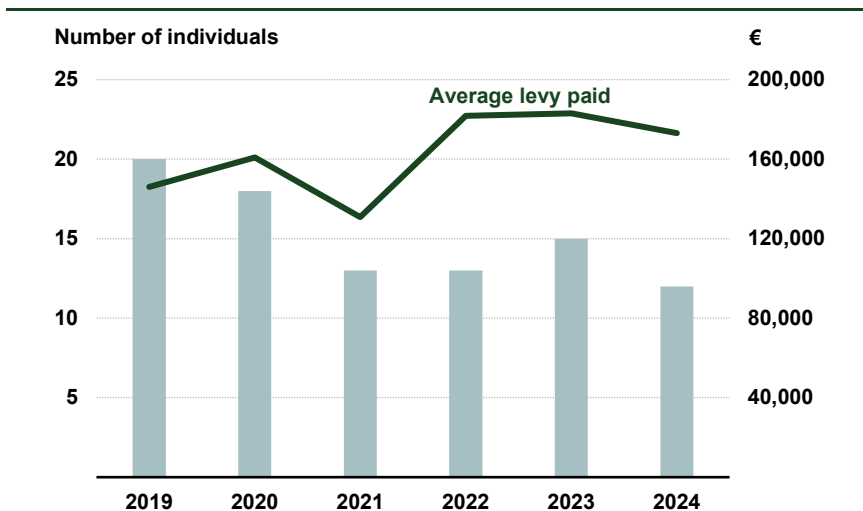
7.24 The purpose of the domicile levy is to ensure individuals with substantial income and assets located in the State make a contribution to the Exchequer. A levy of up to €200,000 per annum applies to Irish domiciled individuals that have

- paid less than €200,000 in Irish income tax in a year
- Irish property, not including certain shares, over €5 million in value, and
- worldwide income in excess of €1 million.

7.25 The number of identified taxpayers that are liable to pay the domicile levy each year, in line with the criteria above, is small. In 2024, 12 individuals paid the levy. This was down from 20 individuals in 2019.

7.26 Irish income tax paid in a year reduces the liability to the levy for that year. Between 2019 and 2024, Revenue collected just over €15 million domicile levy, almost all (97%) related to HWIs. Over that same period, while the number of individuals paying the levy decreased, the average levy paid increased from around €146,000 in 2019 to around €173,000 in 2024 (see Figure 7.7).

Figure 7.7 Number of high wealth individuals paying the domicile levy and the average amount paid, 2019 – 2024



Source: Revenue Commissioners

Revenue's approach to managing HWI compliance

- 7.27** Similar to all other taxpayers, the HWI case base is managed under Revenue's compliance intervention framework.⁸ This framework is designed to provide a consistent, graduated response to taxpayer behaviour, ranging from opportunities to voluntarily correct mistakes up to the pursuit of criminal sanctions for cases of serious tax fraud or tax evasion.
- 7.28** As outlined in Figure 7.8, there are three levels of intervention provided for under the framework. The level of compliance intervention selected by Revenue will depend on the perceived level of risk.

Figure 7.8 Revenue intervention levels

	Description	Example
Level 1	Aimed at supporting and assisting taxpayers in being voluntarily compliant by reminding them of their obligations and providing them with the opportunity to correct potential errors without a more in-depth inquiry. A level 1 intervention may identify issues that warrant the initiation of either a level 2 or level 3 intervention.	Issuing reminder notifications of outstanding tax returns, requests to self-review, engagement with businesses under the Cooperative Compliance Framework and profile interviews.
Level 2	Risk-based reviews or compliance checks on data provided by taxpayers in their tax returns. These risk-based reviews will range from examination of a single issue within a return to comprehensive tax audits.	Risk review or audit.
Level 3	Focuses on tackling high-risk practices and cases involving risks of suspected tax fraud or tax evasion.	Investigation.

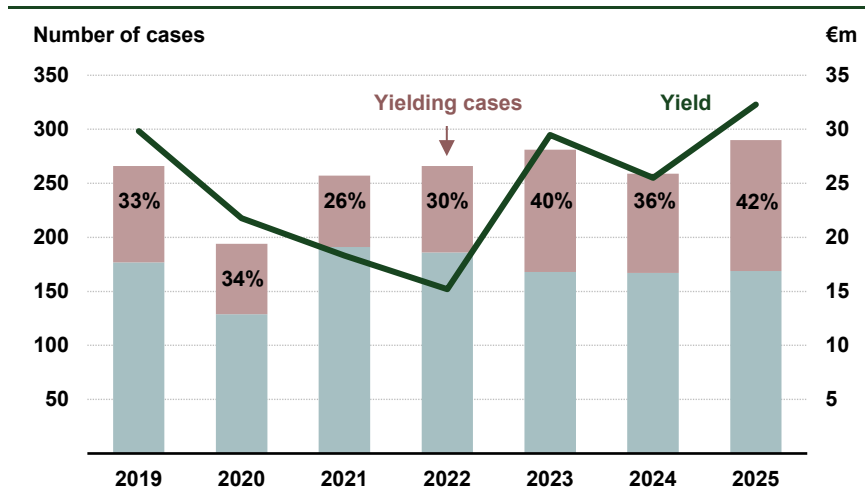
Source: Revenue's *Code of Practice for Revenue Compliance Interventions*

- 7.29** Between 2019 and 2025, Revenue completed just over 1,800 HWI interventions, yielding around €172 million in additional tax, interest and penalties (see Figure 7.9). In 2025, Revenue closed (completed) 290 HWI interventions, of which 42% resulted in additional liabilities with an average yield of approximately €267,000 per case.⁹

⁸ [Code of Practice for Revenue Compliance Interventions](#), May 2022.

⁹ The average yield for HWIs includes both primary and secondary cases.

- 7.30** By comparison, Revenue's compliance work in respect of all taxpayers carried out in 2025 resulted in 16% of cases yielding with an average yield of approximately €60,000 per case (see Figure 7.10).

Figure 7.9 HWI interventions closed, 2019 – 2025^{a,b}

Source: Revenue Commissioners. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a Up to the end of April 2022, Revenue's compliance activity involved audit interventions and non-audit interventions such as assurance checks, aspect queries and profile interviews. The Compliance Intervention Framework was introduced from May 2022, with level 1, 2 and 3 interventions being carried out from that date.
 - b Refers to both primary and secondary cases in the HWI case base as of March 2026.

Figure 7.10 HWI compliance yields compared to all Revenue compliance yields, 2025^a

	HWI	All Revenue
Proportion of interventions with a yield	42%	16%
Average yield per yielding case	€266,868	€60,357

Source: Revenue Commissioners

Note: a Refers to both primary and secondary cases in the HWI case base as of March 2026.

Sample of compliance interventions

- 7.31** The examination reviewed a sample of 41 yielding HWI cases closed in 2024 — yield from the sample totalled just over €23 million comprising €16 million in additional tax and €7 million in interest and penalties. One of the 41 cases reviewed met the requirements for publication in the tax defaulters list.¹⁰
- 7.32** The review confirmed that the required case working procedures were followed in each of the cases selected for review, and the interest and penalties applied were consistent with Revenue policies.

Specific HWI compliance projects

- 7.33** Revenue also carries out specific projects on HWIs to address emerging tax compliance risks as needed. Since 2020, Revenue has carried out three such projects — one on the domicile levy and two CGT-focused projects.

¹⁰ Section 1086A of the Taxes Consolidation Act 1997 obliges Revenue to publish a list of tax defaulters in Iris Oifigiúil, within three months of the end of each quarter.

- 7.34** Between 2020 and 2024, Revenue carried out two projects focused on CGT — one on cases where there was a high value disposal of assets, but low CGT paid and the second on connected parties. The projects resulted in yields of €3.7 million in tax, interest and penalties and restricted losses of almost €700,000.
- 7.35** The domicile levy project began in 2021 to monitor compliance with the levy. It is an ongoing, annual HWI specific project for Revenue. To the end of 2025, there have been 55 interventions closed, 15 of which yielded a combined €5.5 million — an average of €367,000.¹¹

Anti-avoidance

- 7.36** Tax avoidance is the application of tax legislation in a way that inappropriately obtains a tax advantage. Tax avoidance can involve the misuse of tax reliefs and allowances or the mischaracterisation of a transaction. Tax avoidance involves transactions which are undertaken primarily to claim a tax advantage and not for genuine business reasons. Over the period 2021 to 2024, Revenue closed 52 anti-avoidance cases related to HWIs with a yield of almost €11 million.¹²

Tax appeals

- 7.37** A taxpayer who wishes to make an appeal against a Revenue decision or assessment can submit an appeal to the Tax Appeals Commission (TAC). If Revenue or the taxpayer is not satisfied with the TAC determination, either party can appeal to the High Court on a point of law.
- 7.38** Between 2019 and 2024, of the 34 determinations issued by the TAC and the Courts in respect of taxpayers in the HWI case base, just over two-thirds were in favour of Revenue, and around one-third were in favour of the taxpayer. This included two cases where the determinations of issues in dispute were split in favour of the taxpayer and Revenue (see Figure 7.11).

Figure 7.11 Final determination on HWI-related tax appeals, 2019 – 2024

	TAC	Courts
2019	1	2
2020^a	3	—
2021	1	—
2022	4	2
2023	2	5
2024	8	6
Total	19	15

Source: Revenue Commissioners

Note: a Includes two cases where TAC split the determinations between both the taxpayer and Revenue.

11 The yield in some cases relates to multiple tax years.

12 Revenue closed an additional 524 anti-avoidance cases (non-HWI), yielding just over €81 million for the period 2021 to 2024.

Measuring performance

- 7.39** Traditionally, compliance yield compared year-on-year is the key measure used by revenue bodies to assess the financial impact of their work in tackling non-compliance. Revenue also measures and monitors compliance yields to assess its impact on tackling non-compliance. However, Revenue does not consider it appropriate to set yield targets given that risk is the primary driver of its compliance activity.
- 7.40** Revenue's high wealth and financial services division prepares a monthly performance report on the core functions performed by the division. It reports on the performance of the division using several measures, for example, the number of closed interventions (with the resulting outcomes), the number of appraisals open and closed and the number of closed anti-avoidance cases — there are no targets set for these measures.

Conclusions and recommendations

- 7.41** As of July 2026, Revenue's high wealth and financial services division was managing a total of 1,901 HWIs (along with around 3,500 secondary cases). Many of these HWIs have complex business and personal asset portfolios with links to other connected persons. HWIs typically have interests in multiple economic sectors, with around a quarter of those that filed an income tax return in 2024 operating principally in the property sector.

High wealth case base

- 7.42** A previous report on the management of HWIs' tax liabilities found that in 2017, Revenue had a specialised approach to managing around 480 taxpayers on the basis they were HWIs. The threshold for inclusion within that target group was ownership of assets with a minimum value of €50 million each. This was significantly out of line with the thresholds used by other administrations for their focused management of HWIs, and the report — published in September 2018 — recommended that Revenue should review its threshold.
- 7.43** Revenue acted promptly on this recommendation. In 2019, Revenue reduced the threshold minimum net asset value for defining a HWI from €50 million to €20 million. This resulted in its HWI case base growing significantly. Significant inflation in asset values over recent years is likely also to have brought additional taxpayers within the scope of Revenue's focused HWI management.

Managing tax compliance risks associated with HWIs

- 7.44** HWIs pose a particular set of challenges for tax administrations due to the complexity of their affairs, the potential value of tax at risk and the opportunity for aggressive tax planning. Revenue uses a range of methods for identifying tax compliance risks associated with the HWI case base including appraisals, data analysis, media monitoring and knowledge sharing. It has identified 17 key criteria to identify taxpayers with net assets greater than €20 million.
- 7.45** Revenue has a process in place for monitoring tax risks for HWIs. Closed interventions in the HWI case base are reviewed on a monthly basis and the main risk giving rise to the yield is recorded. However, the monthly data is not collated at an aggregate level, for example, on an annual basis.

Recommendation 7.1

Revenue should produce an annual summary report based on its monthly review of the risks arising in its HWI case base. This would assist Revenue in identifying trends in key risk areas and highlight recurring and emerging risks. The report could be uploaded to the HWI knowledge hub to ensure that all staff in the division are aware of the most prevalent risks for the HWI case base.

Accounting Officer's response

Agreed.

An annual summary report will be produced after year-end and this will be shared on the HWI knowledge hub.

Timeline for implementation

Quarter 1 2027.

- 7.46** All HWIs are subject to a comprehensive appraisal by Revenue when they are identified as meeting the criteria for inclusion in the HWI case base. A reappraisal is carried out when high-value transactions, significant events or other risks arise after the initial comprehensive appraisal. The examination found that Revenue does not have a mechanism for monitoring the extent to which reappraisals are being completed for those HWI cases where no high value transactions, significant events or other risks have been identified.

Recommendation 7.2

Revenue should ensure that HWIs are reappraised within an appropriate timeframe.

Accounting Officer's response

Agreed.

Reappraisals are currently undertaken based on risks identified. Since January 2026, statistics on reappraisals are circulated to HWI branch managers to assist in monitoring reappraisals. Criteria to inform a reappraisal programme for those HWI cases where no high value transactions, significant events and other risks have been identified will be developed in 2026.

Timeline for implementation

December 2026.

Income tax for HWIs

- 7.47** HWIs are not necessarily also high-income taxpayers, but there is likely to be significant overlap between the two categories.
- 7.48** In 2024, total net income tax of €421 million was due in relation to 1,558 HWIs. A substantial number of HWIs pay no income tax in Ireland, because they do not earn income in Ireland. For those HWIs that do pay income tax in Ireland, the effective tax rate in 2024 was 33% — almost double the effective tax rate for all income tax taxpayers (17%). This reflects the progressive structure of Ireland's income tax regime.

- 7.49** The effective tax rate for HWIs was after allowing for tax credits and reliefs. In 2024, HWIs claimed a total of €755 million in tax credits with around 76% of that being loss reliefs.
- 7.50** A restriction caps the use of specified tax reliefs and exemptions by high-income individuals to a maximum amount each year. The restriction was applied to 127 individuals resulting in an estimated additional income tax being collected of around €13.6 million in 2023. The restriction resulted in a higher average effective income tax rate for the taxpayers to whom it applied.

Revenue's approach to managing HWI compliance

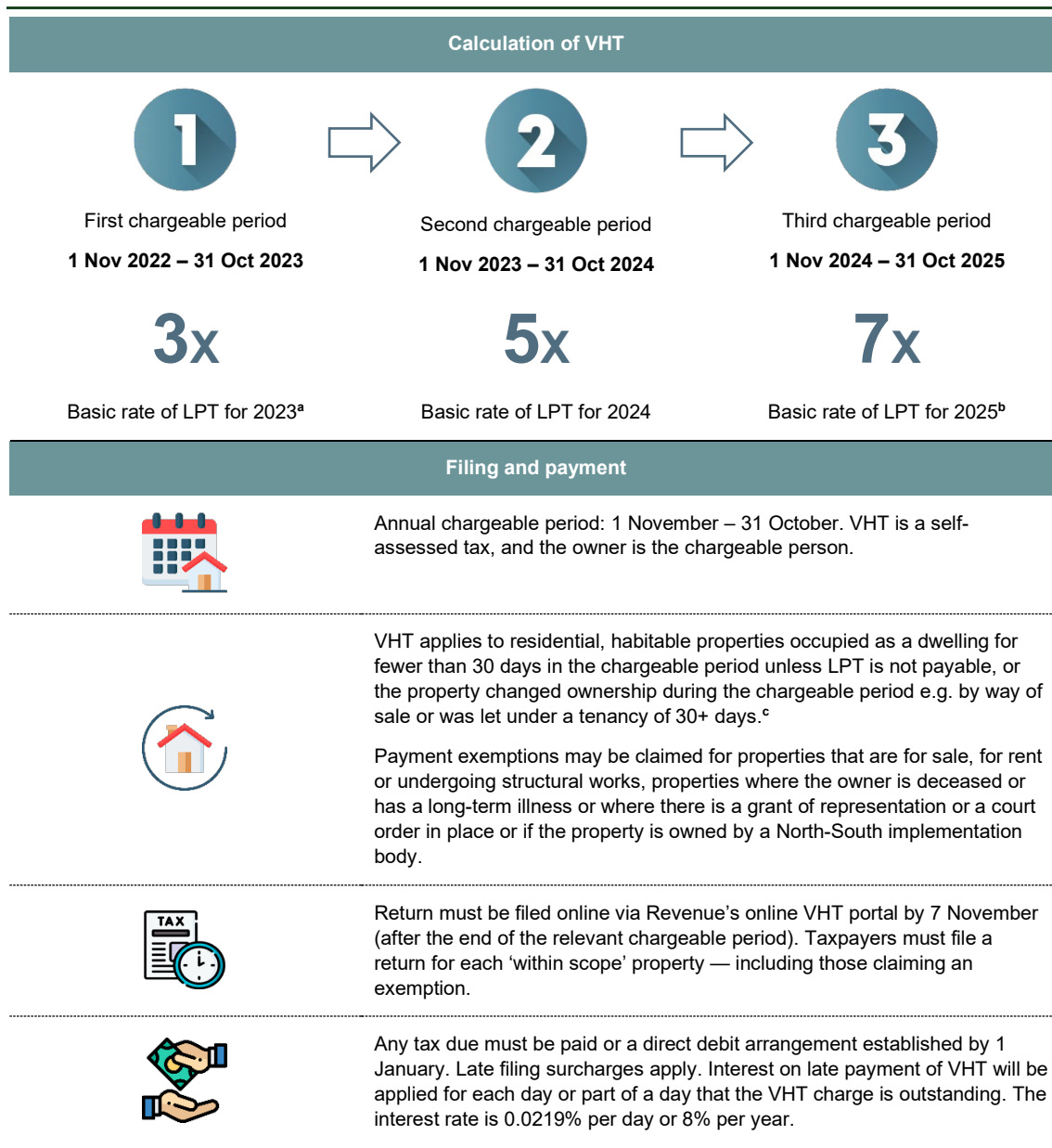
- 7.51** Between 2019 and 2025, Revenue finalised just over 1,800 HWI interventions resulting in a combined additional yield of tax, interest and penalties of €172 million. The percentage of yielding cases in those years ranged between 26% and 42%. This is typically higher than the yield rate for Revenue's compliance activity across all taxpayers.
- 7.52** The domicile levy is a liability imposed on persons domiciled in Ireland who have limited taxable income in Ireland, assets over €5 million and worldwide income in excess of €1 million. The number of identified taxpayers that are liable to pay the domicile levy each year, in line with the relevant criteria, is small, and that number is diminishing. Since 2021, Revenue has run a national project on the completeness of the levy. At the end of 2025, 55 cases had been closed with 15 of those cases yielding around €5.5 million.
- 7.53** Over the period 2021 to 2024, Revenue also closed 52 anti-avoidance cases in relation to HWIs which yielded almost €11 million.

8 Vacant homes tax

- 8.1 The vacant homes tax (VHT) was introduced in 2023 with the main aim of encouraging property owners to bring empty homes back into the housing market for rent or sale.¹ The VHT is an annual, self-assessed tax charged in addition to the local property tax (LPT) and administered by the Revenue Commissioners (Revenue). Figure 8.1 presents an overview of the calculation and payment of VHT.

¹ The vacant homes tax was introduced by [section 96 of the Finance Act 2022](#).

Figure 8.1 Calculation and payment of VHT



Source: Revenue Commissioners

- Notes:
- a The basic rate of LPT is the rate before any local adjustment factor is applied by the local authority.
 - b The rate of VHT of seven times the base rate of LPT applies for the third chargeable period (1 November 2024 to 31 October 2025) and all subsequent chargeable periods.
 - c The 30-day occupancy period is not required to be consecutive, so incidental occupation of a property across the year will remove the property from the scope of VHT.

8.2 A key feature of the legislation introducing the vacant homes tax is the statutory requirement for Revenue²

- to establish and maintain a register of vacant homes on which the tax is payable and of associated chargeable persons³
- to enter in the register such particulars in relation to a vacant home and associated chargeable persons as Revenue considers appropriate
- to amend or delete the particulars entered in the register where they are proved not to be true.

Focus of this examination

8.3 This report examines

- the extent to which Revenue has established a register of vacant homes for the purposes of the VHT
- the effectiveness of Revenue's systems and procedures for the assessment and collection of the VHT
- the extent to which Revenue has adequate systems in place for identifying those liable to the tax and following up on possible non-compliance.

8.4 The examination team reviewed key documents and data produced by Revenue, interviewed relevant members of Revenue staff and undertook analysis of relevant datasets.

Vacant homes tax revenues

8.5 Since the introduction of the tax in 2023, there has been a significant reduction (68%) in the number of vacant properties declared for VHT purposes (see Figure 8.2). Both the number of properties on which VHT was paid and the number availing of exemptions decreased. Notwithstanding this, tax receipts from the VHT have remained at around €2 million each year due for the most part to the progressive rate of VHT applying from year to year.

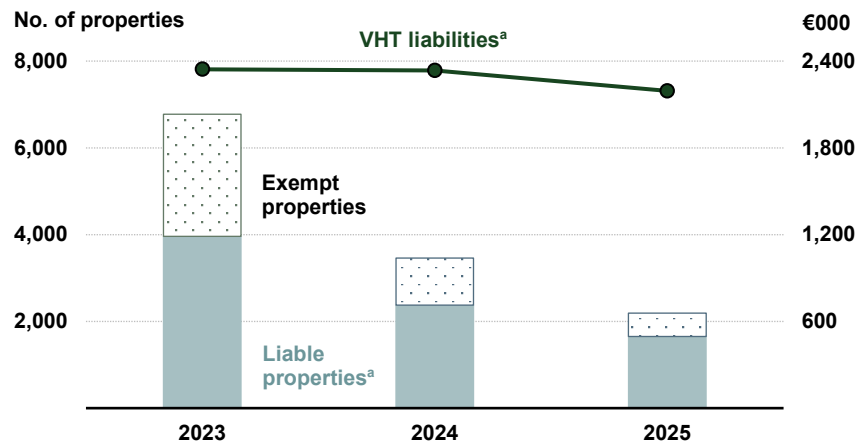
8.6 While Revenue has yet to undertake a formal analysis of what caused the decrease in the number of properties declared, it attributes the decrease to a combination of factors.

- The main aim of the tax was to change behaviour rather than serve as a revenue raising measure, so properties taxed in one period may have been brought back into use for the minimum period of 30 days in the next and future chargeable periods whether by a short-term or seasonal letting or extended personal use, rather than pay additional and increasing taxes year-on-year.
- The allowable exemptions to VHT are expansive.
- Other reasons may include where the property is sold, an LPT exemption begins to apply in a later chargeable period only or a VHT exemption becomes applicable.

² Section 96, Finance Act 2022, (section 653BL).

³ Chargeable persons claiming an exemption for a vacant property are required to submit a VHT return. Exempt properties are within the scope of the register.

Figure 8.2 VHT liabilities and number of vacant properties, 2023 – 2025



Source: Revenue Commissioners

Note: a In 2025, this included €170,100 in respect of 270 properties owned by local authorities and €59,220 in respect of 114 properties owned by approved housing bodies.

- 8.7 The rate of VHT will remain at seven times the property’s rate of LPT from the third chargeable period (2024/2025) onwards. Therefore, VHT receipts will continue to decrease in future chargeable periods if the tax achieves its main objective — to bring empty residential homes back into the housing market.
- 8.8 There has been no formal review of the effectiveness of the tax in achieving its policy objective of bringing empty homes back into the housing market for rent or sale.

Residential vacancy rates

- 8.9 Vacant residential property is recognised as a potential resource in increasing housing supply. The Department of Housing, Local Government and Heritage operates a number of grant schemes to assist property owners in bringing vacant property in both urban and rural areas back into active use. This is also recognised as a means of tackling dereliction and regenerating towns and cities.
- 8.10 There are various sources of information on property vacancy, including the Central Statistics Office (CSO), the GeoDirectory and LPT returns (see Figure 8.3).⁴ Each source uses different methodologies and definitions of vacancy with the result that the estimates of vacancy levels vary considerably.
- 8.11 As part of Census 2022, the CSO identified 163,433 vacant residential properties.⁵ This includes vacant properties that were for sale or for rent, were undergoing renovation or where the owner was in a nursing home. Holiday homes or properties that were under construction or evidently derelict were not counted as vacant. This point-of-time measure of vacancy includes dwellings which are unoccupied for both short and long periods.

4 GeoDirectory is an electronic register of addresses in Ireland. It was jointly developed by An Post and Tailte Éireann.

5 The 2022 Census took place on 3 April 2022.

Figure 8.3 Estimated residential vacancy rates in Ireland

Source		Frequency	Potential vacant homes
Revenue Commissioners	Preliminary vacancy analysis from local property tax returns for the 2022 – 2025 valuation period ^a	Once-off	57,206^b (1 Nov 2021)
Central Statistics Office	Paper on residential vacancy based on metered electricity consumption	Annual ^c	70,149 (Q4 2024)
GeoDirectory	Residential buildings report	Quarterly	81,373 (Q2 2026)

Source: Office of the Comptroller and Auditor General

- Notes:
- a The Finance (Local Property Tax) (Amendment) Act 2021 enabled Revenue to collect certain information on vacant residential properties in LPT returns submitted in respect of the 2022 – 2025 valuation period.
 - b Properties that were uninhabitable or unsuitable for use as a dwelling, as at 1 November 2021, were not liable for LPT for 2022. Owners of these properties were not required to value their property for LPT purposes and were not required to submit an LPT return. Therefore, this figure does not include uninhabitable or unsuitable properties.
 - c The CSO published papers on residential vacancy based on metered electricity consumption in 2023 (published in September 2025) and in 2024 (published in March 2026).

8.12 Since the census, the CSO has published papers on residential vacancy based on metered electricity consumption. In those papers, very low electricity consumption is used as a proxy indicator of vacancy. The cut-off maximum electricity consumption level is around 2kWh per day, or 180kWh per quarter over at least a full year.⁶ The classification of active metre connections with a very low level of consumption over four consecutive quarters is intended to estimate long-term vacancy.

6 For example, 2kWh consumption is enough to power a medium-sized fridge for a day.

7 [Residential vacancy based on metered electricity consumption 2024](#), published March 2026, CSO.

8 The CSO used bespoke address matching software to add Eircodes to address records on the ESB Networks electricity consumption file that did not originally have an associated Eircode.

8.13 The latest CSO paper analysing residential vacancy based on metered electricity consumption provided quarterly estimates of between 70,000 to 77,000 vacant residential properties over the period 2017 to 2023. At the end 2024, the CSO figures indicate a small drop in the estimated level of vacancy to just over 70,000 vacant residential properties in the State.⁷ This excluded properties where there was any indication that the property was not a dwelling (for example a separately metered agricultural building), or the address information was insufficient to determine if it related to a dwelling or there was no identifiable Eircode.⁸

8.14 Part of the CSO's methodology involved matching the vacant properties with Revenue's LPT records. This found that 64% of the properties identified as vacant by the CSO were already on Revenue's LPT database.

Initial Revenue estimates of potentially vacant properties

Vacancy data in local property tax returns

- 8.15** The Finance (Local Property Tax) (Amendment) Act 2021 enabled Revenue to collect certain information on vacant residential properties in LPT returns submitted in respect of the 2022 – 2025 valuation period.⁹ Properties that were uninhabitable or unsuitable for use as a dwelling at the reporting date are not liable for LPT, and their owners were not required to submit an LPT return. Consequently, the data gathered excluded derelict or otherwise uninhabitable properties.
- 8.16** In June 2022, Revenue published a report detailing the findings of its preliminary vacancy analysis from the LPT returns.¹⁰ The analysis indicated that just over 57,200 properties were declared vacant as of 1 November 2021 with around 61% of those properties reported as being vacant for less than 12 months. The analysis also found that 85% of properties reported as vacant were valued in LPT bands 1, 2 or 3 meaning that their value was less than €350,000.
- 8.17** Revenue's analysis was used by the Department of Finance to assess the merits and impact of introducing a vacant homes tax and how the tax might be designed. Revenue itself is unable to use this LPT data in developing its vacant homes register as the legislation specifies that the data gathered cannot be used for any purpose other than compiling statistical information on vacant properties.

Compilation of vacant homes tax register

- 8.18** Prior to the introduction of the VHT in November 2023, Revenue commenced work on creating a preliminary vacant homes register.
- 8.19** The purpose of the exercise was to identify properties on Revenue's LPT register potentially within the scope of the VHT, along with their associated chargeable persons. As part of this exercise, Revenue identified various data sources it planned to use to compile a preliminary VHT register (see Figure 8.4).

⁹ [Section 31, Finance \(Local Property Tax\) \(Amendment\) Act 2021](#).

¹⁰ [Local Property Tax \(LPT\) for 2022. Preliminary Vacancy Analysis \(data as at 20 June 2022\)](#).

Figure 8.4 Data sources for compiling preliminary VHT register

Source	Planned use of the data
LPT register	Main source for establishing a preliminary VHT register. There are around two million residential properties listed on the LPT register. Data matching exercises to be carried out with datasets obtained from ESB Networks, the Residential Tenancies Board (RTB) and GeoDirectory to identify potential properties that fall within the definition of 'vacant' as defined for VHT.
ESB Networks	Cross-matched to the LPT register (using the Eircode) properties with low energy consumption (less than 180kWh over four consecutive quarters), as these are not likely to be in use as a dwelling for 30 days or more in a chargeable period, to identify potential vacancy.
GeoDirectory	Analysed to identify properties recorded as residential and vacant on the Directory. Also used to verify the accuracy of the information input on the preliminary vacant homes register.
Residential Tenancies Board	Cross-matched to the LPT register (using the PPSN of the owner) to identify properties subject to a residential tenancy (which are not within the scope of VHT) to exclude these properties.
Local authorities	Properties within the catchment area of the local authority that are, as a result of any analysis carried out by that local authority, identified as vacant. Data to be matched using the name, address and Eircode of the owner.

Source: Data protection impact assessment submitted by the Revenue Commissioners to the Data Protection Commission on 21 April 2023

ESB Networks metered connections and RTB data

8.20 In August 2023, Revenue received around 113,000 records from ESB Networks for low-energy-use properties (see Figure 8.5). In the first instance, Revenue analysed and cross-matched this data with its LPT register. It also used RTB data to identify properties on its LPT register that were being rented. Revenue intended that once verification was complete, the data would be used to populate a preliminary VHT register.

8.21 Around 67,000 of the ESB Networks records did not include an Eircode. Using keyword searches, Revenue identified approximately 11,000 of these records that appeared to relate to agricultural or other connections e.g. pump houses, out-offices, mobile homes/caravans, electric fences/gates. These connections were not relevant for VHT purposes.¹¹

¹¹ The CSO had also eliminated such cases from its analysis of vacant property, using a similar identification technique.

Figure 8.5 Potential vacant properties identified using ESB Networks metered connections and RTB data

	Number of records ^a
Connections with 'low energy usage' from ESB Networks^b	113,000
Records excluded by Revenue	
Meter connection to identifiable non-residence (no Eircode)	11,000
Other meter connection with no associated Eircode	56,000
Meter connection with Eircode but cannot be matched to LPT register ^c	11,000
RTB records indicate property rented	4,000
Property changed ownership during VHT chargeable period	2,400
LPT exemption in place ^d	2,000
Duplicate records	1,200
Date of death on Revenue record	1,200
Property uninhabitable	500
LPT deferral in place	300
Properties with a potential obligation to VHT	23,400

Source: Revenue Commissioners

- Notes:
- a All figures have been rounded to the nearest thousand.
 - b ESB Networks Meter Point Reference Number (MPRN) is a unique 11-digit number assigned to an electricity connection and meter. The data records received related to MPRNs classified as either residential urban (DG1) or residential rural (DG2) with energy usage less than 180kWh for four consecutive quarters ending 30 June 2023.
 - c Due to incorrect Eircodes in the ESB Networks data or on the LPT register.
 - d The majority related to properties vacant due to the owner(s) being in a nursing home.

8.22 The remaining 56,000 cases without a recorded Eircode, and around 11,000 cases where there was an Eircode that could not be matched to the LPT register were also disregarded by Revenue. Revenue stated that carrying out further work on these cases would involve manually identifying the property and owner on the LPT register. In Revenue's view, this was not expected to identify liable vacant properties given the extent to which the ESB Networks records included properties not liable to VHT.

8.23 Around 9,600 cases were eliminated from consideration on the basis that Revenue could identify circumstances that meant VHT was not payable — LPT exemption in place, property rented, property changed ownership or duplicate record.

8.24 A further 1,200 cases were eliminated because Revenue was able to identify the date of death of the property owner which indicated there would be grounds for granting an exemption from payment of VHT, if it were sought. However, a VHT return would have been required in respect of such cases.

8.25 At the end of the analysis, Revenue identified around 23,400 properties that it considered would have a potential obligation to pay VHT. This included around 4,000 properties owned by local authorities and 30 owned by approved housing bodies (AHBs). This listing represented Revenue's preliminary register for VHT.

Use of preliminary vacant homes tax register

8.26 Revenue issued approximately 19,300 letters to the recorded owners of the 23,400 properties to advise them of a possible VHT liability and requested (where relevant) they confirm that liability by filing a return and making a payment where appropriate.¹²

8.27 Of the 56% of owners who responded, the majority (7,679) informed Revenue that the properties in question were not actually vacant within the terms of the VHT definition. A further 1,656 declared their property to be vacant and 1,455 declared their property to be exempt from the tax. Revenue stated that it refined the preliminary VHT register to reflect these responses.

8.28 Revenue explained that no response was received from 8,516 or 44% of the persons to whom letters were sent. Revenue did not follow up with the non-responders to establish if a VHT liability existed. Revenue stated that based on what had been learned from those that did respond — i.e. the majority confirming their property as being occupied — it was considered that follow-up would not have been effective or useful.

Revenue views on vacancy identification

8.29 Revenue noted that non-residential metered connections and incorrect or missing Eircodes were a challenge in identifying vacancy. Revenue also stated that the underlying assumption — that energy usage less than 180kWh over four consecutive quarters was an indicator of vacancy — could not be relied upon. On that basis, Revenue has no immediate plans to engage further with ESB Networks in relation to that specific dataset or to continue use of the ESB Networks metered connections data to identify potential vacant properties.

8.30 However, Revenue further noted that it is consistently seeking sources of relevant data and has remained in contact with ESB Networks, particularly in the context of the Smart Meter Data Access Code (SMDAC). In February 2025, the Commission for the Regulation of Utilities published the SMDAC, which provides a framework by which eligible parties, with a lawful basis, can access smart meter data.

8.31 ESB Networks is currently implementing the systems and processes required under the SMDAC. Revenue officials have attended ESB Networks SMDAC webinars and met with ESB Networks' SMDAC team and will continue to monitor developments to assess whether more useful data may become available in future. However, Revenue stated that it is unlikely that it will seek more data from ESB Networks in the short term as the SMDAC developments will not address the issue of non-residential meters being categorised as residential.

¹² As some individuals owned more than one property, there were approximately 19,300 property owners associated with the 23,400 potentially vacant properties identified.

GeoDirectory data

- 8.32** Revenue received just over 23,000 data records with a 'vacancy marker' from the GeoDirectory and selected a random sample of 400 records for review. The review identified that the data included property types that would not be liable to VHT, such as uninhabitable properties and commercial properties. As a result, while the review found that 52% of the sample could be potential vacant properties, Revenue ultimately decided not to use the data.
- 8.33** Revenue explained that other than the 'vacancy marker', a significant level of manual intervention was needed to determine whether such properties were in use for less than 30 days, particularly in the case of the uninhabitable properties. In addition, the 'vacancy marker' on the GeoDirectory could be used for holiday homes in use for more than 30 days a year, which are not liable to VHT.

Local authority vacancy data

- 8.34** In December 2022, local authorities, in conjunction with the Department of Housing, Local Government and Heritage, carried out a vacancy survey. Each local authority was provided with a map-based mobile application containing a list of properties (points on the map) from the GeoDirectory that were flagged as vacant or derelict in quarter two of 2022.
- 8.35** Local authorities carried out site visits to verify if the identified properties were vacant or occupied, recording information on their condition and the reason for their vacancy.
- 8.36** The Department of Housing, Local Government and Heritage has stated that the survey was not intended to provide a broad, national count of vacant and derelict properties. Instead, the objective was to provide local authorities with an initial database of vacant and derelict properties that could be updated on an ongoing basis and could be used to engage with property owners to bring the properties back into use. This was a once-off exercise and the number of properties identified as vacant has not been published.
- 8.37** In January 2026, as part of a scoping exercise to assess the feasibility of using the data from the local authority vacant homes survey in developing the VHT register, Revenue contacted Clare County Council and the Department of Housing, Local Government and Heritage. In June 2026, Revenue also contacted Monaghan County Council.
- 8.38** At the time of completion of this report, Revenue had not yet been able to access the vacant homes survey data. Although the legislative basis for such data sharing is in place, the data cannot be accessed until all GDPR requirements are fully satisfied.¹³
- 8.39** Revenue explained that it cannot fulfil these requirements independently. The Department of Housing, Local Government and Heritage and the individual local authorities are joint controllers of this data. As of July 2026, Revenue's request for access to the local government survey data is with the Local Government Management Agency for consideration.¹⁴

¹³ Section 96, Finance Act 2022, (section 653BM).

¹⁴ The Local Government Management Agency is a state agency that provides a range of professional services to local authorities.

Register of vacant homes and chargeable persons

- 8.40** Legislation requires Revenue to maintain a register of vacant homes where VHT is potentially payable and of associated chargeable persons. Revenue stated that in line with the legislative provisions, it is only required to hold a register of properties that are liable to VHT. All property owners that have filed a VHT return are registered for a standalone VHT tax head on Revenue systems and are readily identifiable.
- 8.41** Revenue further stated that it has a well-established LPT register and that the VHT register is a subset of the LPT register which contains all the necessary information for the administration of the tax. The VHT register contains the necessary identifiers (property ID, name and PPSN of the property owner) to link to the full property record on the LPT register.
- 8.42** Revenue considers that it would not be efficient or appropriate to duplicate all the LPT data in the VHT register.

Vacant homes tax returns and exemptions

- 8.43** Property owners can access Revenue's VHT portal via MyAccount, ROS or the LPT portal. Property owners must review their property information and declare its status as vacant, occupied or transferred. Properties declared as vacant are liable for VHT unless an exemption application is submitted. Having reviewed the relevant property details, owners must then confirm any amount due, select a payment method and submit their return.

Review of a sample of vacant homes tax returns

- 8.44** The examination reviewed a sample of 44 properties declared as vacant in the first two chargeable periods to confirm that the VHT returns were filed on time, the liability was assessed correctly, the tax was paid on time and that charges due for late filing or overdue payments were applied correctly.
- 8.45** There were no issues noted with the VHT liability paid for all properties reviewed. However, from the 44 properties reviewed, the examination found that
- returns for 24 properties (55%) were filed late, ranging between three days overdue to just over two years overdue¹⁵
 - 15 of the 24 properties that filed late returns also paid their VHT liabilities late, ranging between six days to almost two years late.
- 8.46** Revenue noted that eight of the 24 properties that filed late were filed within one month of the filing date (referred to by Revenue as 'due month + 1 compliant') and that in their view these taxpayers are essentially compliant, albeit slightly late with returns and/or payments.
- 8.47** Tax legislation provides that statutory interest accrues at a daily rate of 0.0219% on any unpaid liability until discharged.¹⁶ A further penalty may apply in cases of incorrect or missing returns. The total statutory interest foregone on the 15 late payments was just over €1,600. Revenue has not applied statutory interest to any VHT cases to date.

¹⁵ For one case, the property owner raised a query with Revenue prior to the return deadline, but the query took four months to resolve. The return was then filed.

¹⁶ Section 96, Finance Act 2022, (section 653BE).

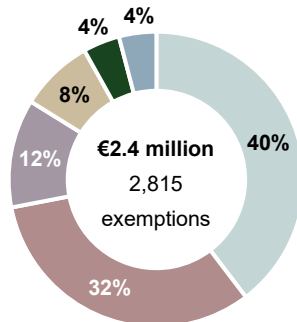
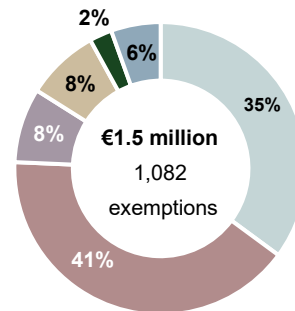
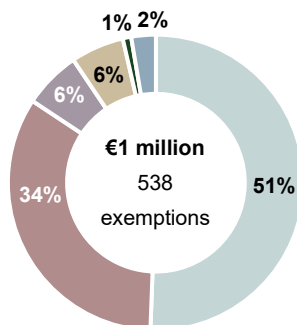
- 8.48** A surcharge of 5% also applies where a VHT return is filed after the due date, rising to 10% where the return is more than two months late.¹⁷ The potential total value of the surcharge foregone on the 24 late VHT returns in the sample was just over €7,000. When the examination team queried this with Revenue, it was confirmed that Revenue has not applied the surcharge to any VHT cases to date.
- 8.49** Revenue stated the main reason that interest and surcharges have not yet been applied is that it is normal practice when new taxes are introduced that Revenue's initial and primary focus is ensuring the administrative measures for the tax are in place. There is engagement with the relevant taxpayers to ensure awareness and to promote and assist voluntary compliance.

Vacant homes tax exemptions claimed

- 8.50** VHT legislation provides for eight specific exemptions that may be claimed where the qualifying conditions are satisfied for the applicable chargeable period.¹⁸ Although the VHT portal allows homeowners to upload documentation in support of the exemptions being claimed, taxpayers are not obliged to submit supporting documentation when claiming an exemption because VHT is a self-assessed tax.
- 8.51** There have been just over 4,400 exemptions claimed across the first three chargeable periods with the number of exemptions claimed reducing from just over 2,800 in the first chargeable period (2022/2023) to almost 540 by the third chargeable period (2024/2025). The total tax expenditure associated with these exemptions was €4.9 million.
- 8.52** The most common exemption categories claimed in all three chargeable periods were for properties that were actively for sale or undergoing structural works — accounting for 76% (or €3.7 million) of the total tax expenditure (see Figure 8.6).

¹⁷ Section 96, Finance Act 2022 (section 653BF).

¹⁸ Section 96, Finance Act 2022 (section 653BC).

Figure 8.6 Tax expenditure from VHT exemptions in the first three chargeable periods^{a,b}**November 2022 – October 2023****November 2023 – October 2024****November 2024 – October 2025**

- Undergoing structural work
- For sale
- Long-term illness of owner
- Owner deceased
- For rent
- Grant of representation/court order

Source: Revenue Commissioners

- Notes:
- a Based on data extracted from Revenue's systems on 23 June 2026.
 - b There is an additional category of exemption for properties owned by a North-South implementation body. There have been no exemptions claimed for this exemption category in the first three chargeable periods.

Revenue's approach to vacant homes tax compliance

- 8.53** Revenue's approach to VHT compliance for the first three chargeable periods has been focused on correspondence campaigns — identifying and writing to potential vacant homeowners in advance of the VHT return filing dates asking that they confirm whether they are liable to VHT.
- 8.54** Around 26,000 letters in total have been issued by Revenue to potential chargeable persons in advance of the return filing dates for the first three chargeable periods. Revenue noted that, as VHT only applies if the property is occupied for less than 30 days in the chargeable period, the number of returns can fluctuate annually. As VHT is a self-assessed tax, no automatic follow-up action is taken where, for example, a return is filed in chargeable period 1 and not filed in chargeable period 2.
- 8.55** Revenue explained that, when a new tax is introduced, it is normal practice that the focus is primarily on ensuring that the administrative measures for the tax are developed and that there is engagement with the relevant taxpayer case base to ensure awareness and promote voluntary compliance. While cases are followed up by Revenue where the available data indicates possible non-compliance, Revenue has not yet commenced a structured compliance programme for VHT.

Conclusions and recommendations

- 8.56** The primary objective of the VHT is to incentivise the owners of unoccupied residential properties to return them to use, through re-occupation or return to the property market through sales or availability for rent, on a short- or longer-term basis. The tax rate applied on an unoccupied property — a multiple of the applicable LPT — is substantial, but owners of vacant homes (or their representatives) may avoid a VHT liability by occupying the property for a minimum of 30 days across the chargeable period or by availing of one of the exemptions provided for by law.
- 8.57** Identifying the stock of unoccupied residential property is challenging because there is no single database of what vacant property exists or of how it is used. In addition, part of the housing stock is always in transition between occupation and non-occupation e.g. to facilitate sales or other transfers, turnover of home rentals, or renovation, or in response to life events affecting households, such as a sole occupier's admission to long-term care.
- 8.58** Revenue was able to gather data about the vacancy of individual properties as part of LPT filing in 2021, for the purposes of analysis and tax policy development. This analysis indicated that, excluding uninhabitable or unsuitable properties, an estimated 57,000 homes were vacant, representing almost 3% of the residential housing stock on the LPT register.
- 8.59** Long-term analysis of housing stock vacancy by the CSO based on low levels of electricity consumption as an initial vacancy indicator provided quarterly estimates of 70,000 to 77,000 vacant residential units over the period 2017 to 2023. The CSO figures for 2024 suggest a small drop in the estimated level of vacancy to just over 70,000 vacant homes at end 2024.

Vacant homes tax returns and yield

- 8.60** The level of declaration of residential property for VHT purposes for the first chargeable period (November 2022 to October 2023) was significantly lower than the estimated residential vacancy levels. Just 6,775 declarations were made, and of these, exemptions were granted for 2,815 properties. Tax of €2.34 million was paid in respect of 3,960 homes declared vacant — an average of €591 per property.
- 8.61** For each subsequent chargeable period, the number of returns made to Revenue has fallen significantly. Notwithstanding this, tax receipts from the VHT have remained at around €2 million each year. For the 2024/2025 period, just under 2,200 returns were made, with tax of €2.19 million paid in respect of 1,655 properties — an average of €1,323 per property.

Evaluation of effectiveness

- 8.62** The key stated objective of the VHT is to encourage property owners to bring empty homes back into the housing market for rent or sale. The low rate of declaration of property for VHT purposes and the high rate of exemption from tax liability suggest that it may have limited effect. There has been no formal evaluation of the effectiveness of the tax in achieving this objective.

Recommendation 8.1

The Department of Finance, in cooperation with Revenue, should evaluate the effectiveness of the vacant homes tax in achieving its objective of bringing vacant property back into use.

Response of Secretary General, Department of Finance

Agreed.

The Department is currently working on the introduction of the new derelict property tax, which will be legislated for in this year's Finance Bill. This new tax will be implemented on a phased basis, and a commitment has been given to review it at such time that there exists two years of data. There is a strong rationale for also reviewing the VHT at this time. Vacancy and dereliction are linked, with long-term vacancy leading to dereliction over time. The objectives of these taxes are similar, as they both seek to change behaviour rather than raise revenue. Both taxes face data constraints.

The operation of these taxes however differ significantly, with the case base for derelict property tax being informed by inspections carried out by local authorities. Data on how the new tax is operating will assist in evaluating the performance of the VHT, notwithstanding that the VHT is self-assessed.

In the interim, the Department will prepare a high-level analysis of the VHT for consideration by the Tax Strategy Group in 2027. This paper will be published following the meeting, which will take place in quarter two 2027. This will examine available data in respect of the tax. It will also delve into the matter of vacancy data and reporting, including trends in vacancy documented since the introduction of the tax in 2022.

Timelines for implementation

High-level analysis prepared by quarter two 2027 ahead of the Tax Strategy Group, to be published during quarter three 2027.

Detailed evaluation to take place once two years of data become available on the derelict property tax.

Compiling the vacant homes tax register

- 8.63** The legislation that provided for LPT taxpayers to submit information about property vacancy in 2021 was specifically to facilitate analysis and tax policy design. As a result, Revenue was unable to use the information to identify potential individual liabilities to pay VHT.

- 8.64** There is no single national database or register of all vacant properties and their owners in Ireland. Estimates range between 57,000 and 81,000 potential vacant homes depending on the source of the data collected — Revenue Commissioners, CSO and GeoDirectory — as each use different methodologies and definitions of vacancy.

Data sources on potential vacant properties

- 8.65** To compile a preliminary VHT register, Revenue obtained and analysed data it could legally acquire from various third-party sources, including low metered electricity consumption records. Using a methodology like that of the CSO, it identified around 23,400 vacant properties with potential liability. Of these, around 4,000 were vacant local authority homes. In all, around 19,300 property owners were identified for follow-up.
- 8.66** Revenue received information on around 113,000 properties where the long-term pattern was of very low electricity consumption. Revenue disregarded around 11,000 properties where other information indicated the property was not residential and 9,600 other records where it could establish circumstances that indicated the properties were not liable to VHT.
- 8.67** Revenue also excluded from the VHT register around 67,000 records where the metered connection data did not include an Eircode, or where there was an Eircode that did not match an Eircode on the LPT database. Revenue's view is that further work on these cases is not expected to identify liable vacant properties given the extent to which the ESB Networks records included properties not liable to VHT.
- 8.68** While this exercise was used to establish a preliminary VHT register, it is not clear that Revenue has fully exhausted the potential of third-party data for VHT purposes. It is noted in particular that the results of a coordinated survey of residential property vacancy across local authorities which commenced in late 2022 have not been made available to Revenue.
- 8.69** Overall, the exercise undertaken by Revenue to identify properties with a potential VHT liability and the data constraints Revenue has encountered in doing so do not provide a sufficient level of assurance that all owners of vacant property with a potential liability for VHT have been recorded on Revenue's VHT register.

Recommendation 8.2

Revenue should continue to explore third-party data sources, including ESB Networks, GeoDirectory and local authorities, to assist it in updating the VHT register.

Accounting Officer's response

Agreed.

Revenue agrees with the importance of the use of relevant datasets to inform its work and will continue to seek any dataset that helps inform the continued population of the VHT register.

Revenue is currently engaging with the Department of Housing, Local Government and Heritage and the local authorities to assess the usefulness of the vacancy-related data they hold. This work is focused on determining how such data can best be used, in conjunction with Revenue's own information to support the administration of VHT while recognising that external data can only provide indicative, rather than definitive evidence of vacancy under the terms of the tax.

Revenue is also committed to revisiting ESB Networks and GeoDirectory data sources in the event that the sources are enhanced in the future.

Timeline for implementation

This work is ongoing, and timelines are somewhat dependent on available third-party data sources in the future and appropriate data-sharing arrangements being in place.

Register of vacant homes and chargeable persons

- 8.70** The establishment of a register of vacant properties liable to the tax and associated chargeable persons is essential for the effective administration of this tax. It is also a key component for tracking and measuring the effectiveness of the tax at releasing vacant homes back into the housing market for use or resale.
- 8.71** Similar to the LPT, a key feature of the legislation that introduced the VHT is the statutory requirement for Revenue to establish and maintain a register of vacant homes and chargeable persons. Revenue stated that the VHT register is no longer 'preliminary' and is a subset of the LPT register which contains all the necessary information for the administration of the tax. It also considers that it would not be efficient or appropriate to duplicate all the LPT data in the VHT register.

Revenue's approach to vacant homes tax compliance

- 8.72** A review of a sample of 44 VHT returns submitted in the first two chargeable periods found that 55% had filed the return late and of those late filers almost 63% had also paid their VHT liabilities late. The examination found that Revenue had adopted a lenient approach because VHT was in a start-up phase and had chosen not to apply late filing surcharges or statutory interest in these non-compliant cases.
- 8.73** Revenue's focus on compliance for the first three chargeable periods has been to engage (by way of letter) with potential vacant homeowners in advance of the VHT return filing dates asking that they confirm whether they are liable to VHT. No follow-up action is taken by Revenue where a property is declared vacant in one chargeable period and does not file a return in the next chargeable period. No other compliance work has been completed by Revenue since the introduction of the tax.

Recommendation 8.3

Revenue should develop a compliance testing programme, including testing of non-declaration of liability for the VHT and claimed exemptions and exits from liability.

Accounting Officer's response

Agreed.

VHT is a relatively new tax. Revenue's initial and primary focus was to ensure administrative measures for the collection of the tax were in place and engage with the relevant taxpayer case base to ensure awareness of potential liability to VHT, and to promote and assist liable taxpayers' voluntary compliance. As such, compliance activity to date has focused on identifying non-filers rather than reviewing the compliance of returns filed. It should be noted that there are legitimate reasons why a property owner may have a VHT liability for one chargeable period but not the next, including but not limited to, where the property is sold, or an LPT exemption applies in the later period only.

Having regard to the above, after the deadline for the current chargeable period (from November 2026), Revenue will analyse cases where a liability was declared in the third chargeable period (November 2024 to October 2025) but not declared in the following chargeable period (November 2025 to October 2026). This analysis will inform the development of appropriate risk-based compliance programmes, as needed.

Timeline for implementation

Second half of 2027.

Expenditure management

9 Vote accounting and budget management in 2025

9.1 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.¹ Final legal effect is given to the votes in the annual Appropriation Act.

9.2 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.

9.3 The appropriation accounts must be presented in a form that is compliant with the requirements set out in a circular issued by the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (Department of Public Expenditure).² The accounts are subject to audit by the Comptroller and Auditor General.

9.4 The Appropriation Act 2025 provided for spending on voted services (appropriations) totalling €95.1 billion. This was to be funded by

- the issuing to the votes of an aggregate €91.5 billion from the Central Fund of the Exchequer (called supply grants), and
- the use of certain expected vote receipts (called appropriations-in-aid) of €3.6 billion.

Also, unused capital funding totalling €192.5 million was carried over from 2024 for spending in 2025. This brought the total available voted funding for 2025 to €95.3 billion.³

9.5 This examination was undertaken to

- explain the annual voted estimates cycle
- summarise the outturn for each of the 46 appropriation accounts for 2025
- analyse the actual outturn against original and supplementary budgeted amounts, and
- highlight issues arising with the management of voted funds.

9.6 The examination team reviewed the estimates process, relevant legislation, the 2025 appropriation accounts for all votes and other relevant documents.

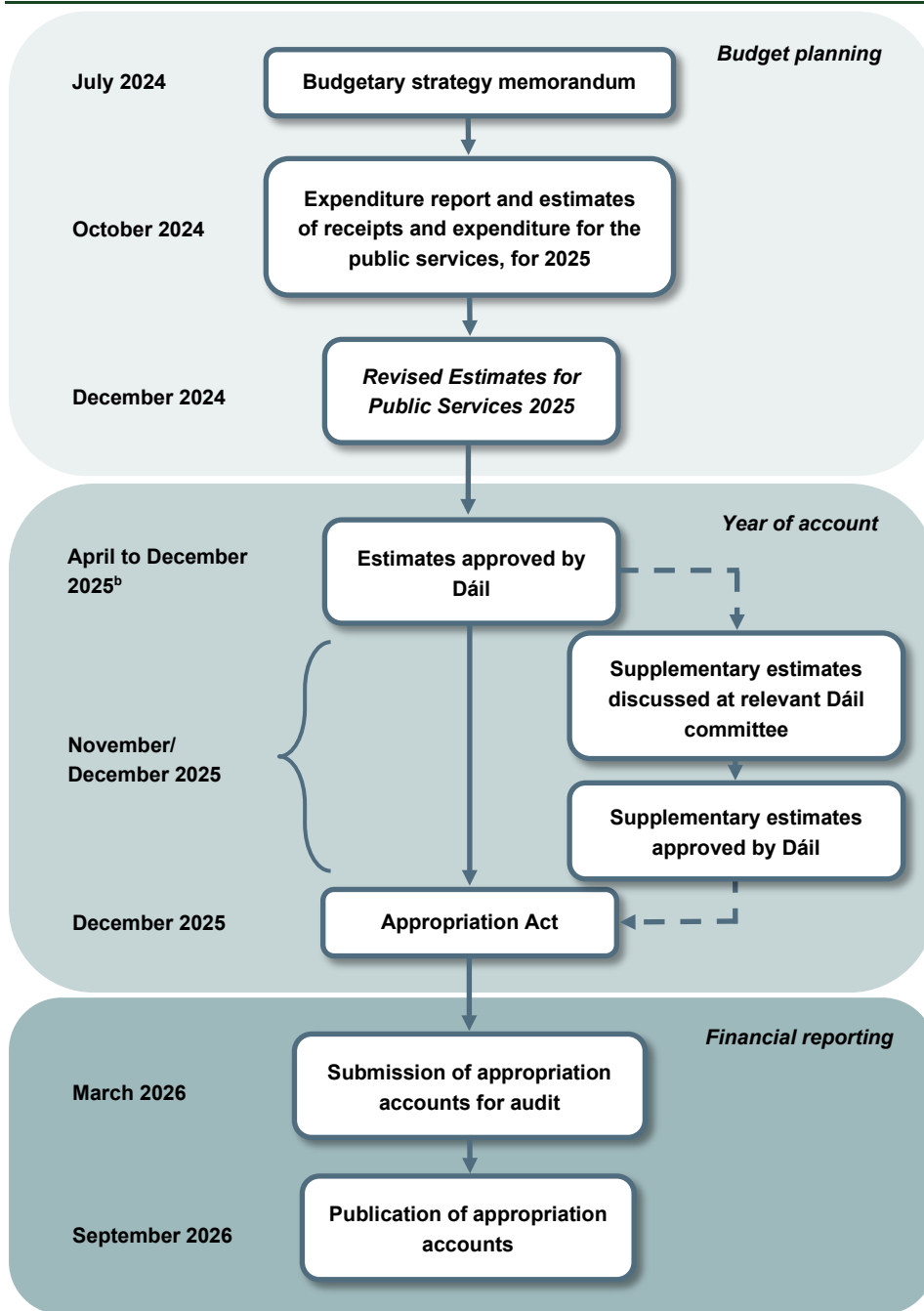
Annual voted expenditure cycle

9.7 The estimates of expenditure presented to Dáil Éireann for approval should reasonably represent the amount expected that will be spent on each departmental service (see Figure 9.1). They also effectively serve as cash limits.

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

² [Circular 25/2025 Requirements for Appropriation Accounts 2025](#).

³ In presenting estimates and reports on voted expenditure, the Department of Public Expenditure generally includes the Social Insurance Fund and the National Training Fund in total gross voted expenditure. These are not voted appropriations. However, the Department of Public Expenditure considers that their inclusion provides a more complete picture of overall government expenditure.

Figure 9.1 Sequence and timing of the 2025 estimates process^a

Source: Office of the Comptroller and Auditor General

- Notes:
- 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.
 - b Dáil approval of the estimates extended over a longer period than usual due to the transfer of functions between votes during 2025.

- 9.8** If 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 estimates process. 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 2025

- 9.9** The *Revised Estimates for Public Services 2025*, published in December 2024, provided for total net voted funding of almost €87.2 billion across 45 votes. This was subsequently revised on several occasions.
- 9.10** The formation of a new Government in January 2025 resulted in the transfer of functions between some existing voted services.⁴ To give effect to the associated reallocation of funding, revised 2025 estimates were presented for ten votes. Figure 9.2 summarises the functions transferred in 2025 which required an associated transfer of funding.

Figure 9.2 Transfer of vote functions in 2025^a

Transfer from vote	Transfer to vote	Function	Funding €m
40 Children, Disability and Equality	24 Justice, Home Affairs and Migration	Integration and reception	2,044.2
	26 Education and Youth	Youth	89.9
29 Climate, Energy and the Environment	33 Culture, Communications and Sport	Telecommunications	439.5
	24 Justice, Home Affairs and Migration	Cyber security	22.6
33 Culture, Communications and Sport	32 Enterprise, Tourism and Employment	Tourism	249.9
	42 Rural and Community Development and the Gaeltacht	Irish language and the Gaeltacht	106.1
34 Housing, Local Government and Heritage	29 Climate, Energy and the Environment	Marine environment	7.3
32 Enterprise, Tourism and Employment	28 Foreign Affairs and Trade	Trade	6.5
42 Rural and Community Development and the Gaeltacht	30 Agriculture, Food and the Marine	Dog control	5.2
24 Justice, Home Affairs and Migration	34 Housing, Local Government and Heritage	Property services	1.8

⁴ There was also a change in the name of a number of existing votes. Vote 41 was renamed An tÚdarás Póilíneachta agus Sábháilteachta Pobail and a new vote (Vote 46 Fiosrú) was also set up.

Source: Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation

Note: a Only functions requiring a material transfer of funding are listed.

9.11 In addition, 'further revised estimates' were presented for five voted services.^{5,6} This resulted in an increase of €1.9 billion in the net amount approved for spending.

9.12 Approved supplementary estimates provided a further €2.4 billion, resulting in an aggregate provision of €91.5 billion (net) for voted services in 2025

2025 appropriations

9.13 A summary of the amounts appropriated in 2025 for voted public services is included in Annex 9A (Figure 9A.1). The outturn for the year is also shown, together with the surpluses of appropriations over expenditure.

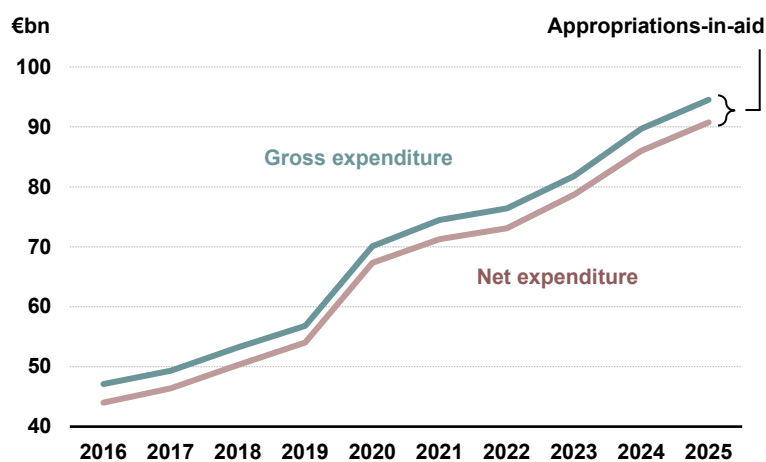
Results of 2025 audits of appropriation accounts

9.14 Audits of the 2025 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

9.15 The total amount spent by departments and offices in 2025 was €94.6 billion (see Figure 9.3). After deduction of realised appropriations-in-aid totalling €3.8 billion, the net expenditure in the year was €90.8 billion.

Figure 9.3 Voted expenditure outturn, 2016 – 2025



Source: Appropriation accounts, 2016 to 2025. Analysis by the Office of the Comptroller and Auditor General.

5 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.

6 Vote 24 Justice, Home Affairs and Migration; Vote 26 Education and Youth; Vote 28 Foreign Affairs and Trade; Vote 30 Agriculture, Food and the Marine; and Vote 34 Housing Local Government and Heritage.

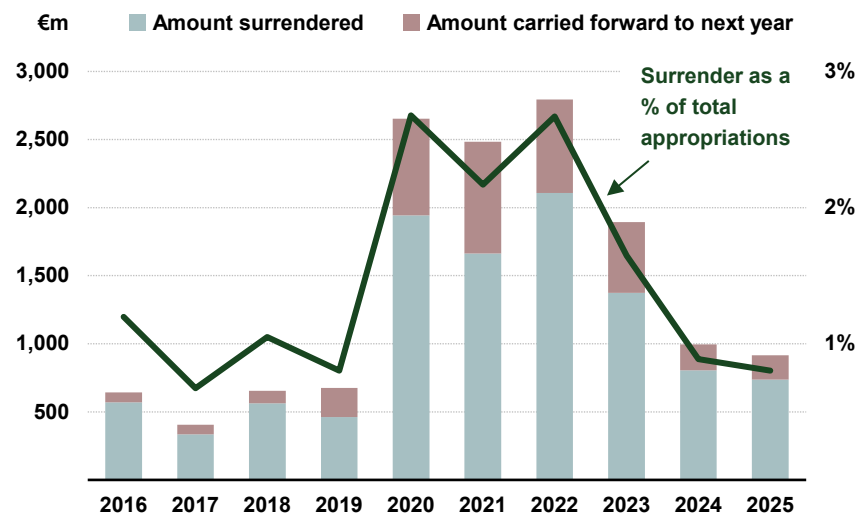
7 There is a statutory provision to allow unspent capital allocations to be carried over to the following year for use for the same purpose, with the Department of Public Expenditure's agreement. In this report, such carryover amounts are treated as part of the (following year's) annual appropriations.

Management of vote surpluses

9.16 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. The carryover must also be sanctioned by the Minister for Public Expenditure under the provisions of section 91 of the Finance Act 2004.⁷

- 9.17** Surpluses were recorded by all 46 votes in 2025. The 2025 surpluses totalled €917 million (see Figure 9.4). Of that amount, a total of €181 million (20%) was approved for carryover to 2026. The balance of €736 million was due for surrender (see Annex 9A (Figure 9A.2)). The main reasons for the underspending recorded by each vote are disclosed in the notes to the relevant appropriation accounts.

Figure 9.4 Surplus appropriations, 2016 – 2025

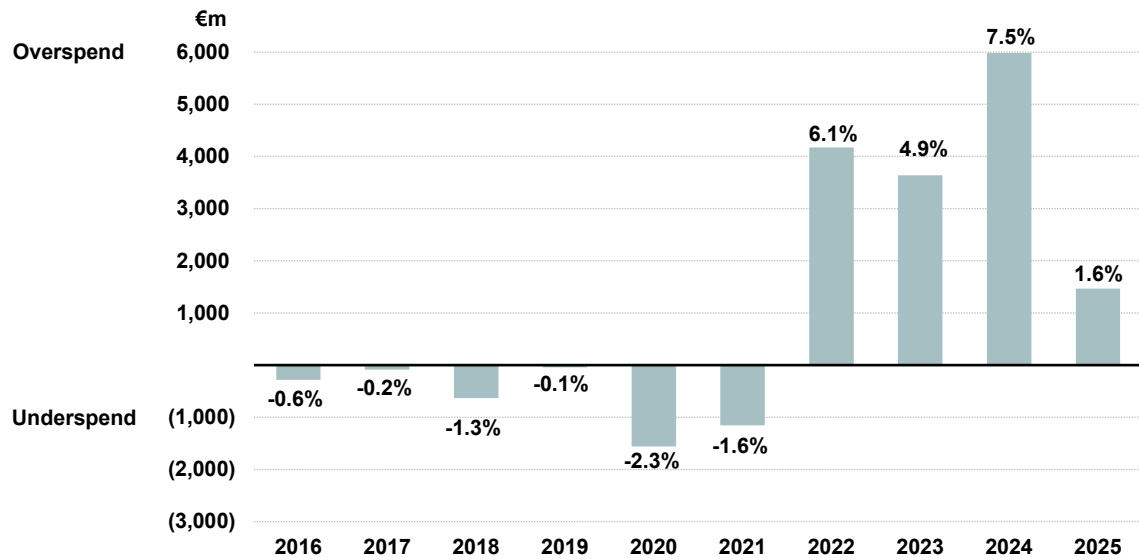


Source: Appropriation accounts, 2016 to 2025. Analysis by the Office of the Comptroller and Auditor General.

Budget variances

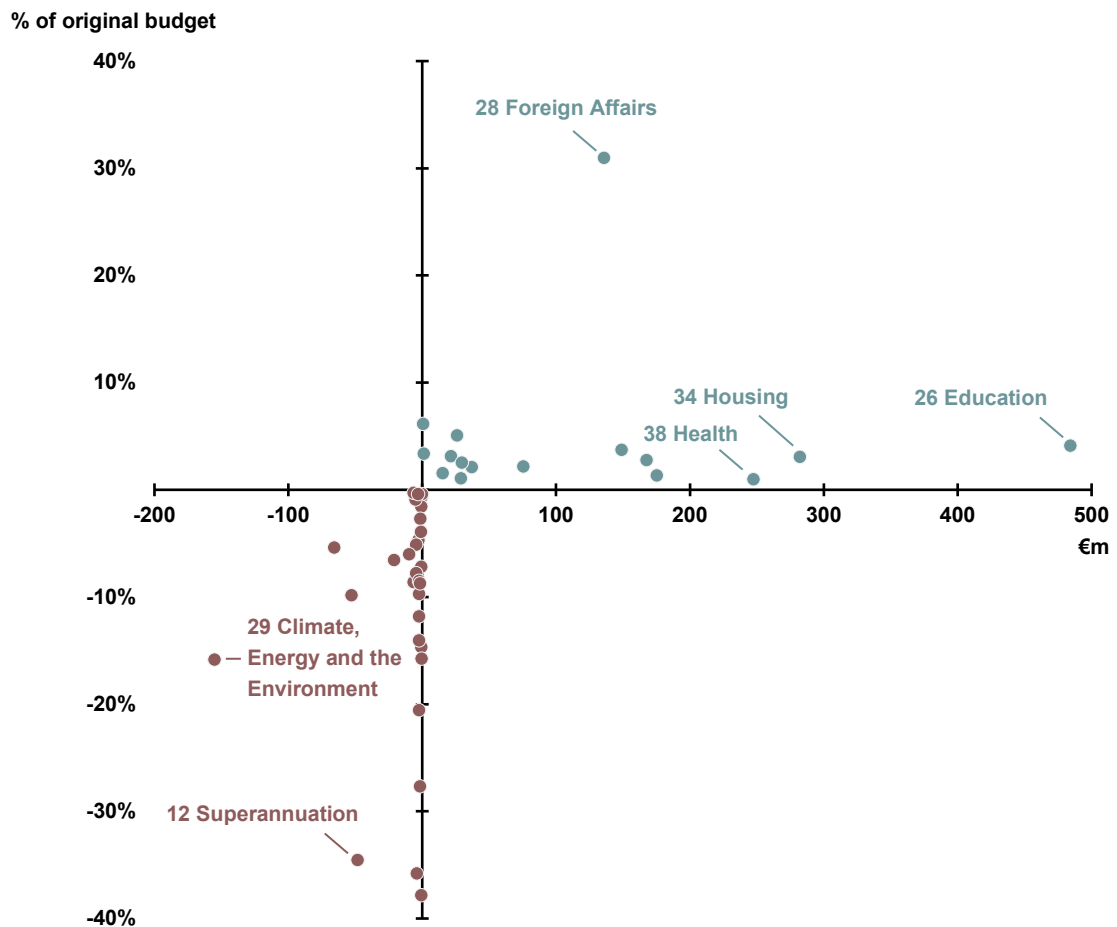
- 9.18** The estimates approved by Dáil Éireann represent the amounts expected to be required to meet the cost of the services to be provided from the resources made available. The budget variance is the difference between the estimates of net expenditure and the actual outturn in a year.
- 9.19** In 2025, net expenditure was almost €1.5 billion greater than the original forecast (see Figure 9.5). For 16 votes, the net expenditure outturn was greater than the original estimate.
- 9.20** The net expenditure for six votes varied significantly from their original estimates for 2025 (see Figure 9.6).

Figure 9.5 Net expenditure variance from budget, all votes, 2016 – 2025



Source: Appropriation accounts, 2016 to 2025. Analysis by the Office of the Comptroller and Auditor General.

Figure 9.6 Net expenditure variance, by amount and as a proportion of the original budget, for all votes 2025



Source: Appropriation accounts 2025. Analysis by the Office of the Comptroller and Auditor General.

Budget variance in Vote 26 Education and Youth

- 9.21** Vote 26 Education and Youth had the largest net overspend, at €484 million (2024: €935 million) over its original estimate of almost €11.8 billion.^{8,9}
- 9.22** The increased spend was mainly due to additional expenditure of €360 million (+6%) on salaries, wages and allowances, and an additional €96 million (+25%) incurred on the school transport service over the original estimate.

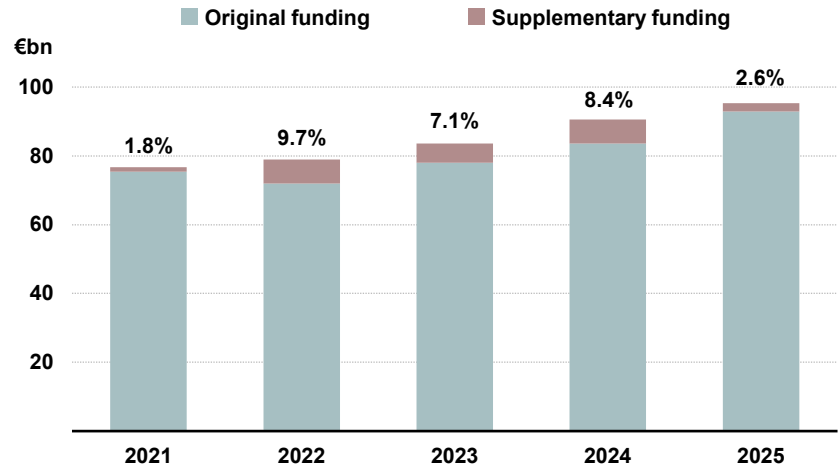
Budget variance in Vote 28 Foreign Affairs and Trade

- 9.23** Vote 28 Foreign Affairs and Trade had the largest percentage overspend, at 31% (2024: 26%) above its original estimate of €438.9 million. The increased spend was mainly due to two adjustments.
- The original estimate provided €100 million for non-lethal assistance to Ukraine in 2025. A further €100 million was provided for that purpose in a supplementary estimate.
 - The estimate originally provided €22.6 million for contributions to multilateral organisations. The outturn totalled €67.6 million (2024: €88.1 million). The additional €45 million spent in 2025 was attributed to “increased assessed mandatory contributions to the United Nations and UN peacekeeping missions, combined with an overall increase in Ireland’s international contributions”. Similar substantial additional funding was made available for such contributions in 2024.

Budgeting issues

- 9.24** In 2025, 18 votes received additional funding totalling €2.4 billion under the supplementary estimates process — 2.6% greater than the original funding for the year.¹⁰ Over the period 2021 – 2025, the level of supplementary funding has fluctuated between 1.8% and 9.7% of the original funding (see Figure 9.7).

Figure 9.7 Supplementary funding as a percentage of the original funding, 2021 – 2025



Source: Appropriation accounts, 2021 to 2025. Analysis by the Office of the Comptroller and Auditor General.

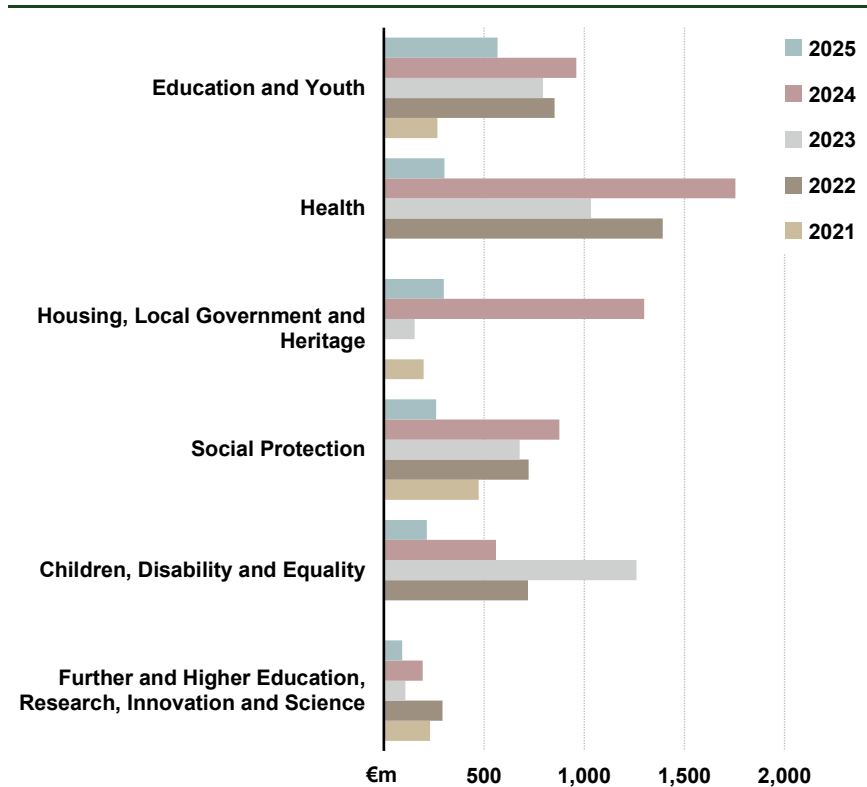
8 This original estimate is the net of the gross estimate of €12.2 billion less appropriations-in-aid of €0.4 billion for Vote 26.

9 See *Report on the Accounts of the Public Services 2025*, chapter 15, [Budget control for Vote 26 Education and Youth](#).

10 Two of the eighteen votes — Vote 11 Office of the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation; and Vote 20 Garda Síochána — had surpluses which exceeded the value of the supplementary estimates received.

- 9.25** Six votes accounted for almost three-quarters of the total supplementary estimates funding in 2025. Each of these votes received over €100 million in supplementary funding annually for at least four of the five years over the period 2021 – 2025 (see Figure 9.8).

Figure 9.8 Supplementary estimates for selected votes, 2021 – 2025^a



Source: Appropriation accounts, 2021 to 2025. Analysis by the Office of the Comptroller and Auditor General.

Note: a Each vote received over €100 million supplementary funding annually for at least four of the five years.

Exchequer receipts

- 9.26** 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.
- 9.27** Examples of substantial receipts that are not treated as appropriations-in-aid include Ireland's receipts from the EU Emissions Trading Scheme, Tailte Éireann service fees, certain Garda fixed charge notice receipts 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.
- 9.28** Extra Exchequer receipts realised by departments and offices in 2025 are shown in the notes to the relevant appropriation accounts. In 2025, these totalled €439 million (2024: €464 million). The aggregate amount of those receipts reported in each account is set out in Annex 9A (Figure 9A.3).

Annex 9A 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 9A.1 provides a summary of appropriations for public services in 2025, by vote.

Figure 9A.2 shows how surplus appropriations in 2025 were applied — either through deferral of expenditure to 2026 or by surrender to the Exchequer.

Figure 9A.3 shows the Exchequer extra receipts recorded against each vote in 2025.

Glossary of terms

Supply grant	The money granted (or voted) by Dáil Éireann for each of the public services.
Deferred from 2024	Amount of capital funding not spent in 2024 and carried over for expenditure on capital services in 2025. The carryover of these sums was approved by Dáil Éireann.
Appropriations-in-aid	Departmental receipts which, with the agreement of Dáil Éireann, may be retained to defray the expenses of the vote to which they relate.
Total appropriations	Sum of the supply grant, deferred 2024 capital moneys (if any) and appropriations-in-aid.
Surplus for the year	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.
Deferred surrender	Amount of capital funding not spent in 2025 which has been carried over for expenditure in 2026. These carryovers were approved by Dáil Éireann.
Surplus to be surrendered	Amount of money appropriated in 2025 but not spent in the year or deferred to 2026 and so required to be surrendered to the Exchequer.
Exchequer extra receipts	Departmental receipts that are not appropriated-in-aid of the vote but are transferred to the Exchequer.

Figure 9A.1 Summary of appropriations for public services in 2025, by vote

Vote	Service	Amount appropriated				Outturn			Surplus		
		Supply grants	Deferred from 2024	Appropriations-in-aid	Total	Gross expenditure	Appropriations-in-aid	Net expenditure	Gross surplus	Excess/ (deficit) in receipts	Net surplus for the year ^a
		€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
1	President's Establishment	5,438	—	108	5,546	4,776	135	4,641	770	27	797
2	Department of the Taoiseach	40,703	—	866	41,569	39,435	862	38,573	2,134	(4)	2,130
3	Office of the Attorney General	25,520	—	746	26,266	23,794	752	23,042	2,472	6	2,478
4	Central Statistics Office	92,315	—	2,500	94,815	94,640	2,919	91,721	175	419	594
5	Office of the Director of Public Prosecutions	72,023	—	1,100	73,123	72,842	1,101	71,741	281	1	282
6	Office of the Chief State Solicitor	53,390	—	1,951	55,341	54,803	2,243	52,560	538	292	830
7	Office of the Minister for Finance	50,680	110	965	51,755	50,706	1,287	49,419	1,049	322	1,371
8	Office of the Comptroller and Auditor General	11,602	—	7,426	19,028	18,439	9,220	9,219	589	1,794	2,383
9	Office of the Revenue Commissioners	562,269	—	65,917	628,186	625,110	67,950	557,160	3,076	2,033	5,109
10	Tax Appeals Commission	3,929	—	80	4,009	3,387	76	3,311	622	(4)	618
11	Office of the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation	61,849	—	3,400	65,249	61,513	3,331	58,182	3,736	(69)	3,667

Vote	Service	Amount appropriated				Outturn			Surplus		
		Supply grants	Deferred from 2024	Appropriations-in-aid	Total	Gross expenditure	Appropriations-in-aid	Net expenditure	Gross surplus	Excess/ (deficit) in receipts	Net surplus for the year ^a
		€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
12	Superannuation and Retired Allowances	139,795	—	793,626	933,421	913,186	821,677	91,509	20,235	28,051	48,286
13	Office of Public Works	725,903	—	26,400	752,303	742,885	29,981	712,904	9,418	3,581	12,999
14	State Laboratory	14,952	—	1,649	16,601	16,433	1,809	14,624	168	160	328
15	Secret Service	2,000	—	—	2,000	1,244	—	1,244	756	—	756
16	Tailte Éireann	89,367	479	1,800	91,646	87,104	1,835	85,269	4,542	35	4,577
17	Public Appointments Service	24,959	200	256	25,415	24,647	470	24,177	768	214	982
18	National Shared Services Office	75,350	1,000	6,876	83,226	77,516	7,743	69,773	5,710	867	6,577
19	Office of the Ombudsman	16,991	—	490	17,481	15,147	540	14,607	2,334	50	2,384
20	Garda Síochána	2,387,377	16,586	153,076	2,557,039	2,538,992	161,880	2,377,112	18,047	8,804	26,851
21	Prisons	542,270	—	13,871	556,141	554,833	14,307	540,526	1,308	436	1,744
22	Courts Service	165,793	—	35,032	200,825	194,919	39,080	155,839	5,906	4,048	9,954
23	An Coimisiún Toghcháin	11,618	—	181	11,799	7,600	141	7,459	4,199	(40)	4,159
24	Justice, Home Affairs and Migration	2,770,546	—	135,577	2,906,123	2,898,223	144,573	2,753,650	7,900	8,996	16,896
25	Irish Human Rights and Equality Commission	9,709	—	101	9,810	9,115	103	9,012	695	2	697
26	Education and Youth	12,365,706	—	446,100	12,811,806	12,734,538	451,493	12,283,045	77,268	5,393	82,661

Vote	Service	Amount appropriated				Outturn			Surplus		
		Supply grants	Deferred from 2024	Appropriations-in-aid	Total	Gross expenditure	Appropriations-in-aid	Net expenditure	Gross surplus	Excess/ (deficit) in receipts	Net surplus for the year ^a
		€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
27	International Co-operation	809,149	—	1,200	810,349	807,862	1,834	806,028	2,487	634	3,121
28	Foreign Affairs and Trade	583,917	—	75,000	658,917	652,567	77,770	574,797	6,350	2,770	9,120
29	Climate, Energy and the Environment	980,504	—	5,865	986,369	831,867	6,514	825,353	154,502	649	155,151
30	Agriculture, Food and the Marine	1,831,405	31,800	406,516	2,269,721	2,220,582	418,329	1,802,253	49,139	11,813	60,952
31	Transport	4,110,259	115,253	89,333	4,314,845	4,260,966	95,211	4,165,755	53,879	5,878	59,757
32	Enterprise, Tourism and Employment	1,217,145	3,012	89,000	1,309,157	1,243,049	88,613	1,154,436	66,108	(387)	65,721
33	Culture, Communications and Sport	1,206,727	19,576	226,379	1,452,682	1,437,596	224,241	1,213,355	15,086	(2,138)	12,948
34	Housing, Local Government and Heritage	9,519,181	—	74,042	9,593,223	9,589,463	87,178	9,502,285	3,760	13,136	16,896
35	Army Pensions	324,477	—	4,850	329,327	308,208	4,930	303,278	21,119	80	21,199
36	Defence	1,014,054	—	25,315	1,039,369	1,038,669	28,203	1,010,466	700	2,888	3,588
37	Social Protection	13,361,386	1,380	318,574	13,681,340	13,594,585	317,847	13,276,738	86,755	(727)	86,028
38	Health	25,639,081	—	416,417	26,055,498	26,034,243	449,669	25,584,574	21,255	33,252	54,507
39	Office of Government Procurement	20,481	—	615	21,096	18,624	557	18,067	2,472	(58)	2,414
40	Children, Disability and Equality	6,315,578	—	25,994	6,341,572	6,297,360	27,766	6,269,594	44,212	1,772	45,984

Vote	Service	Amount appropriated				Outturn			Surplus		
		Supply grants	Deferred from 2024	Appropriations-in-aid	Total	Gross expenditure	Appropriations-in-aid	Net expenditure	Gross surplus	Excess/ (deficit) in receipts	Net surplus for the year ^a
		€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
41	An tÚdarás Póilíneachta agus Sábháilteachta Pobail	6,158	—	126	6,284	4,572	118	4,454	1,712	(8)	1,704
42	Rural and Community Development and the Gaeltacht	535,445	2,200	39,609	577,254	548,050	63,233	484,817	29,204	23,624	52,828
43	Office of the Government Chief Information Officer	57,486	900	205	58,591	54,113	265	53,848	4,478	60	4,538
44	Data Protection Commission	29,120	—	291	29,411	27,166	513	26,653	2,245	222	2,467
45	Further and Higher Education, Research, Innovation and Science	3,575,244	—	102,746	3,677,990	3,672,290	112,779	3,559,511	5,700	10,033	15,733
46	Fiosrú	20,667	—	451	21,118	19,261	397	18,864	1,857	(54)	1,803
Total		91,479,518	192,496	3,602,622	95,274,636	94,526,920	3,771,475	90,755,445	747,716	168,853	916,569

Source: Appropriation accounts 2025. 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 9A.2 Application of surplus 2025 appropriations, by vote

Vote	Service	Net surplus for the year	Deferred surrender (to 2026)	Surplus for surrender	Surplus surrendered % of the total appropriation
		€000	€000	€000	
1	President's Establishment	797	—	797	14%
2	Department of the Taoiseach	2,130	—	2,130	5%
3	Office of the Attorney General	2,478	—	2,478	9%
4	Central Statistics Office	594	—	594	1%
5	Office of the Director of Public Prosecutions	282	—	282	0%
6	Office of the Chief State Solicitor	830	—	830	2%
7	Office of the Minister for Finance	1,371	—	1,371	3%
8	Office of the Comptroller and Auditor General	2,383	—	2,383	13%
9	Office of the Revenue Commissioners	5,109	—	5,109	1%
10	Tax Appeals Commission	618	—	618	15%
11	Office of the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation	3,667	—	3,667	6%
12	Superannuation and Retired Allowances	48,286	—	48,286	5%
13	Office of Public Works	12,999	—	12,999	2%
14	State Laboratory	328	—	328	2%
15	Secret Service	756	—	756	38%
16	Tailte Éireann	4,577	579	3,998	4%
17	Public Appointments Service	982	150	832	3%
18	National Shared Services Office	6,577	—	6,577	8%
19	Office of the Ombudsman	2,384	—	2,384	14%
20	Garda Síochána	26,851	17,310	9,541	0%
21	Prisons	1,744	—	1,744	0%
22	Courts Service	9,954	5,047	4,907	2%
23	An Coimisiún Toghcháin	4,159	—	4,159	35%
24	Justice, Home Affairs and Migration	16,896	—	16,896	1%

Vote	Service	Net surplus for the year	Deferred surrender (to 2026)	Surplus for surrender	Surplus surrendered % of the total appropriation
		€000	€000	€000	
25	Irish Human Rights and Equality Commission	697	—	697	7%
26	Education and Youth	82,661	—	82,661	1%
27	International Co-operation	3,121	—	3,121	0%
28	Foreign Affairs and Trade	9,120	—	9,120	1%
29	Climate, Energy and the Environment	155,151	77,011	78,140	8%
30	Agriculture, Food and the Marine	60,952	29,091	31,861	1%
31	Transport	59,757	—	59,757	1%
32	Enterprise, Tourism and Employment	65,721	21,315	44,406	3%
33	Culture, Communications and Sport	12,948	—	12,948	1%
34	Housing, Local Government and Heritage	16,896	—	16,896	0%
35	Army Pensions	21,199	—	21,199	6%
36	Defence	3,588	—	3,588	0%
37	Social Protection	86,028	—	86,028	1%
38	Health	54,507	—	54,507	0%
39	Office of Government Procurement	2,414	—	2,414	11%
40	Children, Disability and Equality	45,984	7,690	38,294	1%
41	An tÚdarás Póilíneachta agus Sábháilteachta Pobail	1,704	—	1,704	27%
42	Rural and Community Development and the Gaeltacht	52,828	21,800	31,028	5%
43	Office of the Government Chief Information Officer	4,538	600	3,938	7%
44	Data Protection Commission	2,467	—	2,467	8%
45	Further and Higher Education, Research, Innovation and Science	15,733	—	15,733	0%
46	Fiosrú	1,803	—	1,803	9%
Total		916,569	180,593	735,976	1%

Source: Appropriation accounts 2025. Analysis by the Office of the Comptroller and Auditor General.

Figure 9A.3 Exchequer 'extra' receipts 2025, by vote

Vote	Service	Receipts realised
		€000
1	President's Establishment	—
2	Department of the Taoiseach	—
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	23
7	Office of the Minister for Finance	7,413
8	Office of the Comptroller and Auditor General	—
9	Office of the Revenue Commissioners	17,978
10	Tax Appeals Commission	—
11	Office of the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation	23
12	Superannuation and Retired Allowances	—
13	Office of Public Works	—
14	State Laboratory	—
15	Secret Service	—
16	Tailte Éireann	87,572
17	Public Appointments Service	—
18	National Shared Services Office	—
19	Office of the Ombudsman	—
20	Garda Síochána	10,290
21	Prisons	—
22	Courts Service	11,623
23	An Coimisiún Toghcháin	88
24	Justice, Home Affairs and Migration	—
25	Irish Human Rights and Equality Commission	—
26	Education and Youth	46
27	International Co-operation	—

Vote	Service	Receipts realised
		€000
28	Foreign Affairs and Trade	—
29	Climate, Energy and the Environment	197,656
30	Agriculture, Food and the Marine	363
31	Transport	67,930
32	Enterprise, Tourism and Employment	19,097
33	Culture, Communications and Sport	2,157
34	Housing, Local Government and Heritage	10,838
35	Army Pensions	—
36	Defence	—
37	Social Protection	2
38	Health	—
39	Office of Government Procurement	30
40	Children, Disability and Equality	4,220
41	An tÚdarás Póilíneachta agus Sábháilteachta Pobail	—
42	Rural and Community Development and the Gaeltacht	596
43	Office of the Government Chief Information Officer	—
44	Data Protection Commission	125
45	Further and Higher Education, Research, Innovation and Science	523
46	Fiosrú	—
Total		438,593

Source: Appropriation accounts 2025. Analysis by the Office of the Comptroller and Auditor General.

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

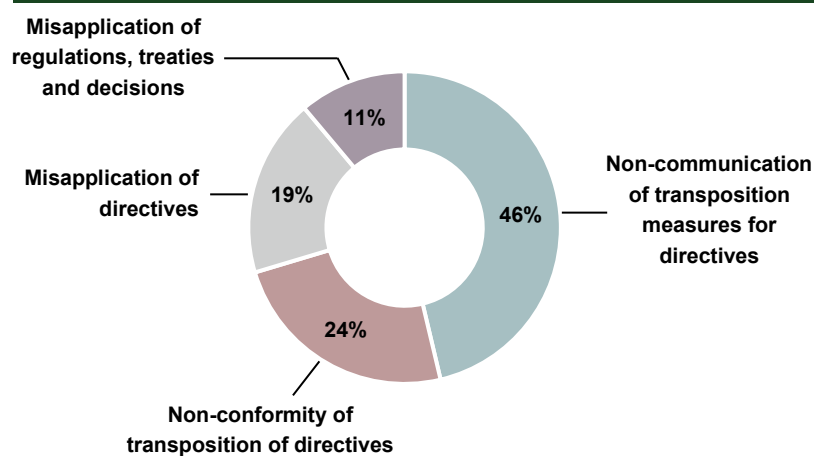
Source: [Appropriation accounts](#). Analysis by the Office of the Comptroller and Auditor General.

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.

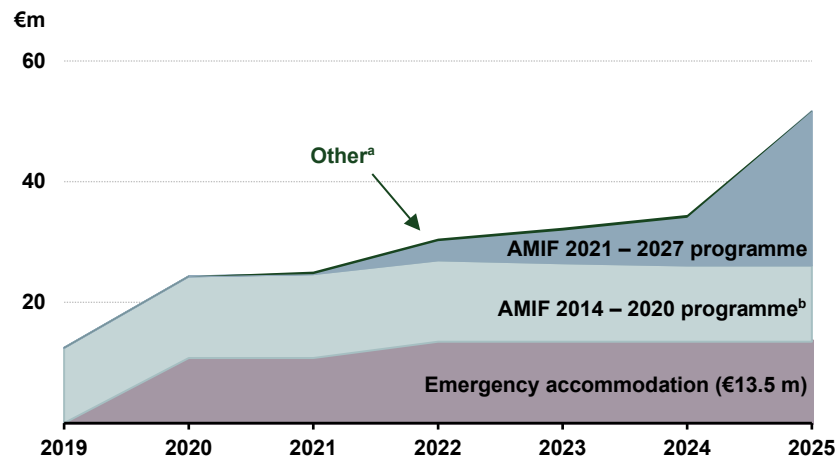
10.60 The ECA report concluded that all of the declared expenditure was ineligible for EU funding. The audit findings were upheld in an ex-post audit report completed by the European Commission in January 2026 requiring the return of the funds. The €13.5 million was repaid to the EU in April 2026.

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

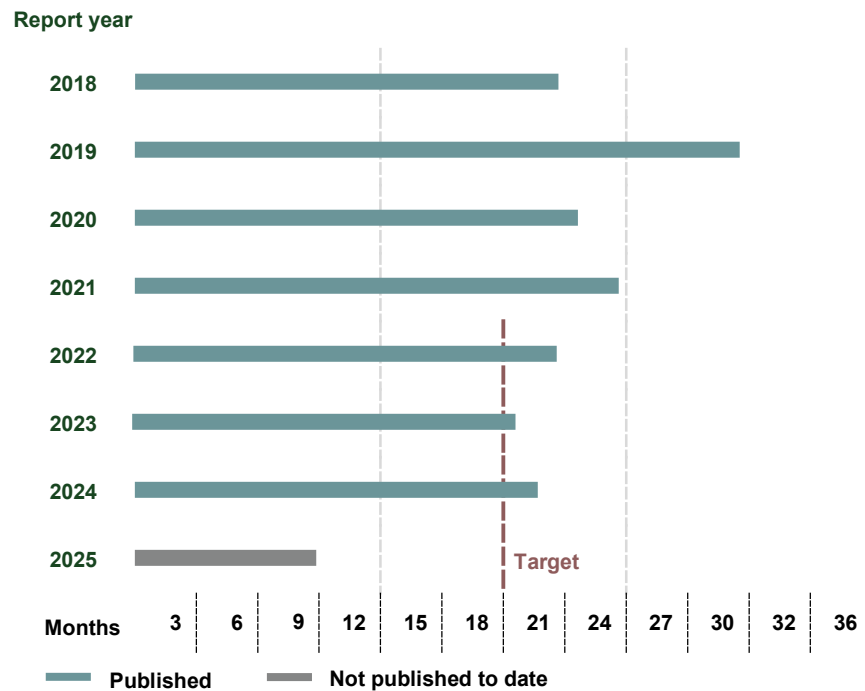
- Notes:
- a Consists of funding for the CAPS-EU project which aims to build capacity to design, implement, sustain and scale up community sponsorship programmes for refugees.
 - b A total of over €22.2 million funding under the Asylum, Migration and Integration Fund 2014 – 2020 programme was recognised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

11 Management of OPW-owned residential properties

- 11.1** The Office of Public Works (OPW) is responsible, on behalf of the State, for managing and maintaining a diverse portfolio of approximately 2,500 properties, ranging from historic buildings such as Dublin Castle to Garda stations and government offices.
- 11.2** Included within the OPW's portfolio are certain residential properties. In the past, these were used primarily by State employees (e.g. caretakers, park staff and Garda personnel) or retained for strategic, heritage or operational purposes. In addition, a number of these residential properties are designated as protected structures.
- 11.3** OPW records identify a total of 94 residential properties within its managed residential portfolio: 57 residential properties located throughout the Phoenix Park in Dublin and 37 residential properties in other locations across the State.

Focus of the examination

- 11.4** This examination was undertaken to review
- how the OPW monitors and manages residential properties within its property portfolio
 - the accuracy and completeness of the OPW's residential property records
 - how rents are set, reviewed and collected, and
 - the OPW's management of vacant residential properties.
- 11.5** The examination team interviewed staff from the OPW and reviewed a range of documents and a sample of rent payments by tenants. Site visits and inspections of unoccupied properties were carried out in the Phoenix Park (Dublin), Castletown House demesne (Kildare) and Glenveagh National Park (Donegal). The examination team also engaged with the National Parks and Wildlife Service (NPWS) in relation to arranging access to properties.

Property management systems

- 11.6** The OPW provided the examination team with a list of the 94 residential properties it owns. Two of the listed properties were previously used as residences but have now been repurposed for alternative uses.¹ This report focuses on the management of the remaining 92 residential properties.
- 11.7** The OPW is directly responsible for the management of 56 of the residential properties. The OPW has assigned the management of 36 properties to other entities (see Figure 11.1). The OPW was unable to provide the examination team with evidence of any formal agreements governing these assignment arrangements. The OPW stated that it now intends to put formal agreements in place for OPW-owned properties managed by other entities.

¹ One is used as a bike hire shop and one is used as an office by An Garda Síochána.

Figure 11.1 Entities responsible for the management of OPW residential properties as at 31 December 2025

Management responsibility	Phoenix Park		Other locations		Total
	Occupied	Vacant	Occupied	Vacant	
Office of Public Works ^a	25	11	9	11	56
Tailte Éireann	6	1	—	—	7
An Garda Síochána ^b	3	9	—	—	12
National Parks and Wildlife Service (NPWS) ^c	—	—	8	5	13
Irish Landmark Trust ^d	—	—	4	—	4
Total	34	21	21	16	92

Source: Office of Public Works

- Notes:
- a Includes two properties at Farnleigh for official use, one property leased to Dublin Zoo and two properties leased to third parties.
 - b The residential properties assigned to An Garda Síochána are adjacent to Garda headquarters in the Phoenix Park.
 - c NPWS is part of the Heritage Division of the Department of Housing, Local Government and Heritage.
 - d Irish Landmark Trust is a non-profit charity with a mission to save, share and sustain Ireland's built heritage.

Property management policy

- 11.8** In 2015, the OPW developed a document entitled *Phoenix Park Lodge Policy* (2015 policy). The document provides some historical context about the properties in the Phoenix Park, as well as options for occupation and rental rates, management and conservation, and a sample pro-forma lease.
- 11.9** The OPW stated that the policy has not been updated since 2015 and there is no such policy in place for the management of residential properties elsewhere. However, it stated that an approach similar to that articulated in the 2015 policy document is applied to the management of residencies outside the Phoenix Park.
- 11.10** The OPW currently owns 55 residential properties in the Phoenix Park (see Figure 11.1). The 2015 policy lists 56 domestic residences/lodges in the Phoenix Park. At that stage, 18 properties were noted as vacant and 38 were classified as occupied with details of the tenant, for example employee, retiree, etc.

Property management system and record keeping

- 11.11** The examination team asked the OPW for detailed information relating to all OPW residential properties, including specific information that would be expected from a standard property management system. When the OPW responded, over 60% of the data fields requested had incomplete or no information.
- 11.12** An assessment of some key information details expected from an effective management system and what the OPW provided is set out in Figure 11.2.

Figure 11.2 Analysis of residential property data provided by the OPW

Data type	Data provided
Unique property ID, address and location details with Eircode	
Property type (house, apartment, etc.)	
Asset register reference	
Land registry details	
Building energy rating (BER) ^a	n/a
Size (number of bedrooms, floor area)	
Construction type and year built	
Occupancy status	
Detail of tenancy (start and end dates, rent amounts and calculations, rent review terms and dates, termination and notice requirements)	
Compliance status (e.g. safety certificated)	
Cost of maintenance/maintenance requests (work orders raised, contractor details, etc.)	
Property inspections (dates, findings, follow up)	
Value of property and valuation methodology	
Taxes due on property (local property tax, vacant property tax, etc.)	
Residential Tenancies Board registration ^b	n/a
Capital expenditure history	
 Available  Not available in all cases  Not available	

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

Notes: a OPW residential properties are considered protected structures and do not require a statutory BER certificate. However, this does not prevent an energy rating being produced for management purposes.

b The requirement to register tenancies with the Residential Tenancies Board does not apply to dwellings let by a public authority i.e. the OPW.

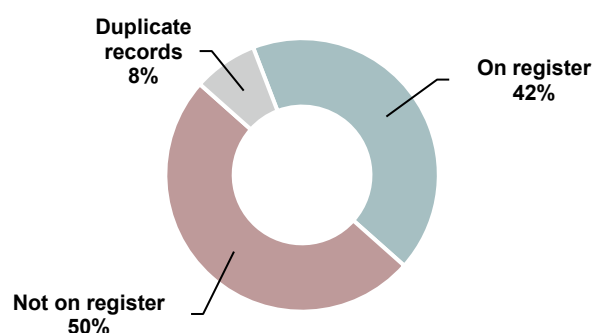
11.13 The OPW stated that the information provided was compiled by a centralised team using different sources within the OPW and reviewed thoroughly. The OPW stated that it does not fully utilise a centralised management system for residential properties that maintains the requested information. Data about the residential properties such as land registry details, occupancy status, rental/lease agreements, maintenance responsibility, site surveys, property value and rent amounts due were added manually to the list provided to the examination team.

- 11.14** Without a comprehensive centralised management system, it is difficult to establish with confidence the accuracy and completeness of the information provided.
- 11.15** The OPW stated that it will prioritise a review of its records to ensure accurate property management information is captured centrally on its database. It intends to do this by conducting a verification exercise of legacy records as identified by the examination team relating to residencies and a broader review of the owned estate data.

Maintenance of asset register

- 11.16** The examination team compared the OPW's asset register with the listing of residential properties supplied for this examination. The comparison identified 46 of the 92 residential properties (50%) that were not on the asset register (see Figure 11.3). In addition, there were duplicate entries — seven properties were listed on the asset register using two separate codes.
- 11.17** Of the 46 properties that were not on the asset register, 31 had management responsibility assigned by the OPW to
- National Parks and Wildlife Service — 13
 - An Garda Síochána — 12
 - Tailte Éireann — 6.²
- 11.18** The OPW does not have a formal policy in place that governs what assets should be recorded on its asset register and could not explain why properties it manages directly are not on its own asset register. The OPW stated that it is currently developing a new asset policy.

Figure 11.3 Analysis of residential properties on the OPW asset register



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

Asset valuation

- 11.19** Central Government Accounting Standard (CGAS) 17 Property, Plant and Equipment (PPE) became effective for government departments and offices from 1 January 2024. It sets out the recognition, valuation and disclosure requirements for tangible assets. The CGAS applies to the OPW's residential properties and to other real estate properties it owns.

² A total of seven residential properties are assigned to Tailte Éireann but only one was listed on the OPW asset register.

- 11.20** The OPW applied for and received a derogation in respect of the requirements of CGAS 17. The OPW has stated that substantial work will be required to undertake a fair value assessment of each property due to the significant number of unique properties it owns. It is expected that this work will be completed in 2029 and that the asset register will then be updated accordingly.

Property risk register

- 11.21** OPW records indicate that approximately 40% of its residential properties are classified as vacant.
- 11.22** The OPW records a number of risks which relate to vacant property on its risk register e.g. the risk of loss of State land due to encroachment and the risk that parts of the estate will not be available due to failure to maintain and prioritise repair. However, there is no evidence to demonstrate that other residential property-related risks such as non-compliance with housing regulations, health and safety, misuse of property, building condition and maintenance have been considered and addressed.
- 11.23** During this examination, visits were undertaken to a sample of the properties that are currently listed as vacant. Arising from those visits and subsequent enquiries, two examples of encroachment on the OPW's property have been identified.
- At one of the vacant properties visited, it was evident that the premises was in fact being used. It appeared that the occupier of the adjacent occupied house had accessed the vacant house and was using it to store miscellaneous items, apparently without prior notice to, or the approval of, the OPW.
 - The examination also found that the occupier of another residential property had undertaken works to join that property to an adjacent house, creating an enlarged residential property which continues to be occupied. This work appears to have been done without the prior knowledge or approval of the OPW. However, there is evidence that the OPW has been aware of this situation at least since the late 1990s.
- 11.24** The OPW stated that it is reviewing its corporate risk management activities alongside the development of a new residential policy and implementation plan including a more robust risk assessment as part of the management of the residential properties.

Property monitoring and inspection

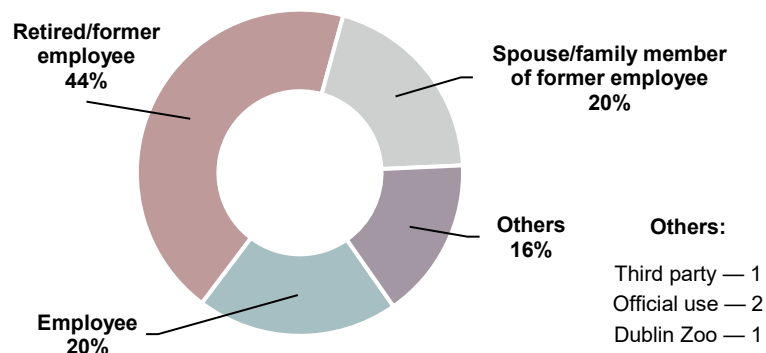
- 11.25** The management of residential properties requires effective systems of monitoring and inspection to ensure, *inter alia*, the safeguarding of assets, appropriate use of property, compliance with legislation, fire safety, and health and safety obligations.
- 11.26** The OPW does not have an inspection policy in respect of its residential properties and does not have in place standard operating procedures for conducting inspections. The 2015 policy did not incorporate a framework or process to follow for conducting inspections.

- 11.27** The OPW stated that it carries out inspections as required, subject to the availability of resources. Out of a sample of 20 properties for which inspection/condition reports were sought, the OPW provided reports in respect of nine properties.
- 11.28** Without a clearly defined inspection policy, there is no consistent or documented approach to how inspections should be planned, conducted, recorded and followed up. This increases the risk of failure to identify and address property-related issues in a timely manner. Furthermore, it undermines effective governance, reduces assurance over property condition and tenant safety, and increases the exposure of the OPW to financial and reputational risk.

Management of occupied properties

- 11.29** The 2015 policy recommends that management of its residential property in the Phoenix Park can be best achieved by park staff occupying the majority or all of the lodges. However, it acknowledged that many of the properties had unfavourable living conditions because of little or no capital investment for decades. It also recognised that the OPW would be obliged to refurbish the properties to an acceptable level to meet current building, safety, environmental and tenancy regulations.
- 11.30** The OPW has stated that it addresses issues raised and refurbishes and carries out repairs on the properties subject to the availability of funding, resourcing and required statutory consents (planning, protected structure, change of use).
- 11.31** The OPW provides accommodation to certain employees that are required to live on site to facilitate the performance of job responsibilities. As at the end of 2025, 25 (69%) of the OPW-managed properties in the Phoenix Park were occupied. The categories of tenants occupying the properties are set out in Figure 11.4. Only 20% of the tenants were current employees. Just under two-thirds of the tenancies were in respect of former employees or their surviving family members. One of the properties is leased to an unconnected third party.
- 11.32** The 2015 policy stipulates that, upon retirement, all staff residing in an OPW residential property must vacate the property, following notice. Any request from retired staff to continue to reside in the property can be considered on a case-by-case basis.

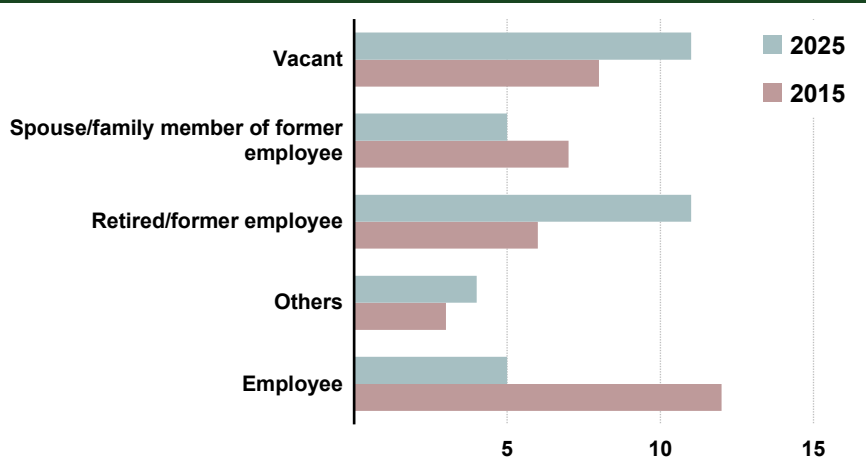
Figure 11.4 Occupancy of OPW-managed Phoenix Park residential properties by category of tenancy



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

11.33 Since 2015, the number of residential properties in the Phoenix Park managed by the OPW that are occupied by OPW employees has more than halved (see Figure 11.5). Properties housing retired OPW employees almost doubled. The OPW stated that continued occupancy by retirees was permitted on compassionate and practical grounds. However, it intends that this practice will be discontinued once the new residential policy is implemented.

Figure 11.5 OPW-managed Phoenix Park residential properties tenancy status 2015 vs 2025



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

Tenancy agreements

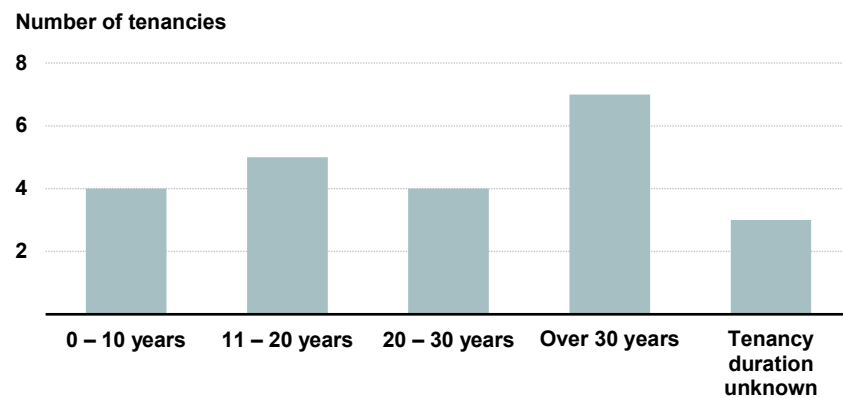
11.34 A tenancy agreement should clearly set out the rights, responsibilities and expectations of both the landlord and the tenant to minimise misunderstandings and disputes. In addition, a tenancy agreement provides both the landlord and tenant with legal protection.

11.35 The OPW manages 36 residential properties in the Phoenix Park, of which two were in official use to provide State accommodation as required, and 11 are vacant. The remaining 23 properties are occupied. The OPW provided tenancy information in relation to 20 of those properties. Seven of the tenancies were over 30 years old and had not been revised in that time (see Figure 11.6). Tenancy information was not provided for the other three properties which were occupied.

11.36 The examination team reviewed a sample of the available tenancy agreements. The review found that the very old agreements do not contain the kind of details expected from a modern tenancy agreement. In one case, it was found that a letter of undertaking was in place for three months in 2024, but no tenancy agreement was put in place upon expiry of the letter.³

3 The letter of undertaking advised the tenant that the occupation was subject to a tenancy agreement that was being drafted at that time. The letter also listed conditions that the tenant should adhere to (e.g. rent due, utility bills, occupancy restrictions).

Figure 11.6 Length of tenancy of OPW's occupied Phoenix Park residential property as at 31 December 2025^a



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

Note: a Length of tenancy can include periods of employment and retirement.

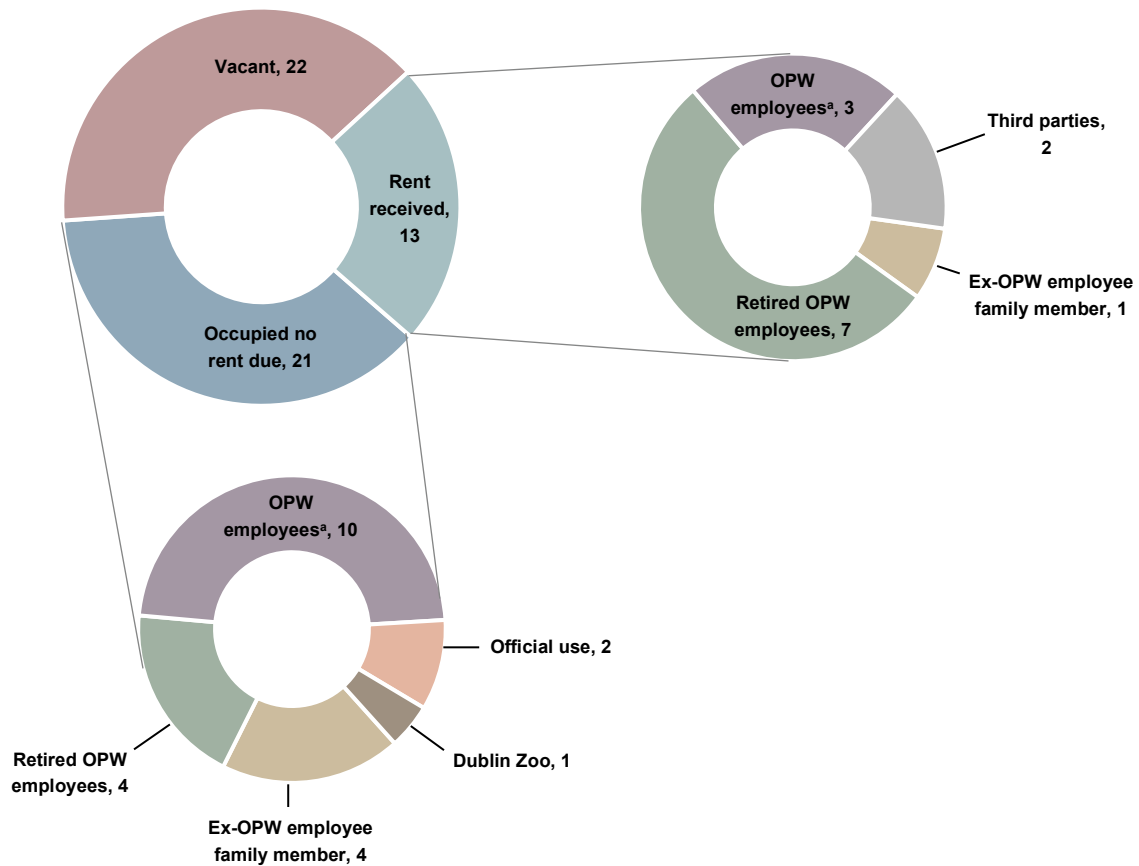
Rental income

11.37 Historically, the OPW considered residential properties being occupied by gatekeepers and other staff as an appropriate way of securing the park against criminal damage, controlling livestock and implementing the by-laws of the park. The OPW stated that in the case of properties occupied by OPW workers that provide essential services and who are required by the terms and conditions of their employment to reside on site, rent is not charged. In some other cases, accommodation is provided to employees to facilitate the performance of their duties, and this is reflected in the amount of rent charged.

11.38 The 2015 policy contains a section on rental rates and recommends that future rents should reflect rents for comparable accommodation across the city and be index linked, and that the criteria for setting rents should be clear, objective and transparent. It also states that all new tenancy agreements should include a rent review. The examination team inspected three tenancy agreements drafted since this policy was implemented. The rent set for one of the agreements did not include provision for a rent review.⁴

⁴ The other two agreements were part of OPW employee contracts.

11.39 The OPW stated that the 2015 policy is being updated and will include a provision for regular rent reviews.

Figure 11.7 OPW-managed residential properties rental breakdown

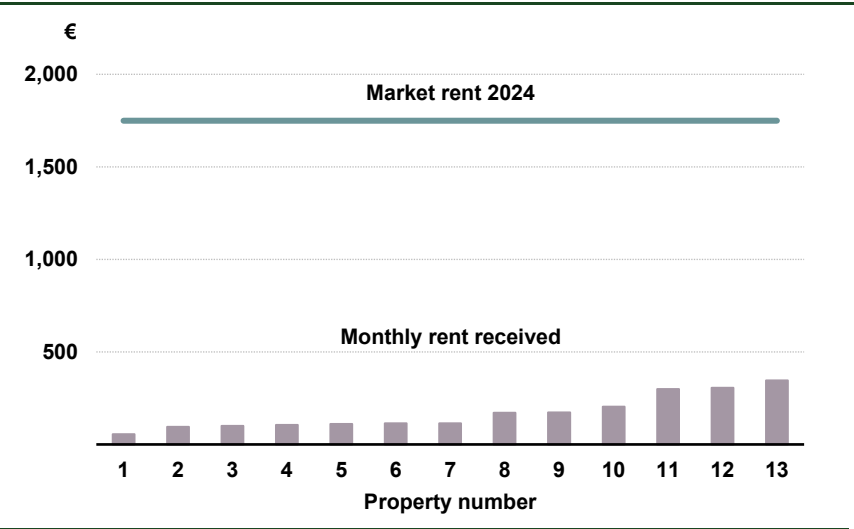
Source: Office of Public Works. Analysis by the Office of the Comptroller and Auditor General.

Note: a Emoluments are earnings which are in addition to basic salary, such as an allowance.

11.40 The OPW is responsible for the management of 34 residential properties that are occupied in the Phoenix Park and elsewhere. Rent was being paid on 13 of the properties with no rent due on the remaining 21 properties (see Figure 11.7).

11.41 For the 13 properties that are subject to rent payments, the OPW received an average monthly rent per property of €169. Rents received ranged from €56 to €347 per month. The market rate in 2024 for similar properties was €1,750 per month (see Figure 11.8).

Figure 11.8 OPW-managed residential properties — rents received in 2025 market comparison^a



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

Note: a Market rates are for 1 – 3 bed properties in Dublin as per the Residential Tenancies Board average monthly rent report published on the Central Statistics Office website.

Benefit in kind

- 11.42
In January 2026, the Revenue Commissioners (Revenue) requested the OPW to carry out a review of its benefit in kind (BIK) obligations regarding residential properties. Revenue requested information from the OPW including
 - a schedule of occupied and unoccupied properties for 2024
 - details of the BIK treatment applied to all occupied properties
 - confirmation that rents are being collected from occupiers and that those rents are at market value.
- 11.43
The OPW stated that a previous Revenue compliance check on BIK liabilities arising from occupation of residential property had resulted in an unprompted disclosure in 2018. The OPW made a further disclosure in 2026 about BIK and has paid €698,600 to settle liabilities (including interest of €140,400 and penalties of €12,000) for the years 2022 to 2025. The settlement is currently under review by Revenue.

Management of vacant properties

- 11.44
The examination team visited a sample of residential properties that are listed as vacant on the OPW's records. The sample included 11 properties in the Phoenix Park that are under the direct management of the OPW, nine properties assigned to An Garda Síochána and seven properties located elsewhere. The team visited the properties to understand the overall condition and current habitable state including identification of any visible defects.

- 11.45

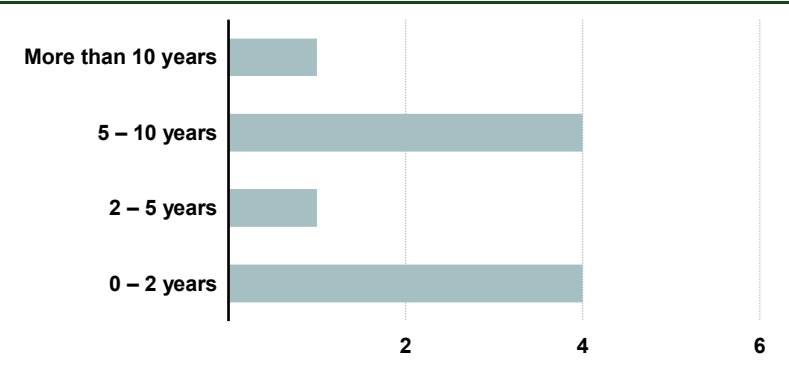
During the site visits, it was found that one of the OPW directly managed residential properties in the Phoenix Park listed as vacant was in use on a temporary basis as an office for the management of the Farmleigh Estate, which is owned and managed by the OPW. Of the remaining ten OPW-managed properties in the Phoenix Park classified as vacant at the end of 2025

 - two were boarded up and appeared in need of extensive refurbishment⁵
 - five require varying levels of repair and refurbishment
 - three had been refurbished in recent years and are currently vacant and awaiting assignment of tenancies.
- 11.46

The ten OPW-managed properties have been vacant for periods ranging between three months and 20 years (see Figure 11.9). The average vacancy duration is almost six years for the ten vacant residential properties. The OPW has stated that some properties have been vacant for significant periods due to a lack of capital funding or funding being required for higher-priority projects.
- 11.47

One of the vacant properties in the Phoenix Park was refurbished in the period 2015 to 2018 at a total cost of €388,000 (excluding VAT). The property was occupied from February 2019 to September 2025, and a tenancy agreement was in place. The rent payable for the period was €1,800 per month (€21,600 per annum). The OPW stated that the rent was the market rate at the commencement of the letting and no rent review clause was included in the tenancy agreement. The property has remained vacant since September 2025. The OPW stated that it is planned that the property will be occupied by the end of 2026.

Figure 11.9 Vacancy duration of properties in the Phoenix Park as at 31 December 2025^a



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

Note: a There were 11 residential properties in the Phoenix Park categorised as vacant at the end of 2025 but one of these was being used as an office.

5 One of these properties was occupied until 2024 when a fire occurred in the property.

11.48 It was evident during the visits to properties assigned to An Garda Síochána that the vacant properties were damp and damaged and all would need considerable refurbishment to make them habitable.

11.49 Of the vacant properties located elsewhere,

- two were in use as offices
- four were being used for short-term letting
- one had been recently vacated (in 2025).

11.50 Currently, the OPW does not have a clear plan in place for the future use, refurbishment or repurposing of vacant properties it owns. The OPW stated that it is finalising plans for the residential properties, including an approach to the refurbishment or repurposing of properties, which will be implemented over a five- to ten-year period, subject to availability of capital and other resources.

11.51 The OPW stated that the 2015 policy is under review and will form the basis of a policy for all residential properties, including those in the Phoenix Park. This policy review will determine how properties are used and allocated in the future.

Vacant homes tax

11.52 In 2025, the OPW paid vacant homes tax (VHT) of just under €115,000 in respect of vacant residential properties that it owns. Amounts paid in respect of individual properties ranged from €630 to €4,095.

11.53 Over €59,000 of the total of €115,000 (52%) paid by the OPW in VHT is in relation to 86 vacant Garda stations which are owned but not managed by the OPW. These properties are classified as residential for tax purposes if residential and/or married quarters are attached directly to the station. The OPW stated that it is currently reviewing these properties in respect of VHT.

Maintenance and refurbishment costs

11.54 The OPW reports it spent €7.7 million on maintenance and construction costs in relation to residential properties in the period 2020 – 2025 (see Figure 11.10). The OPW could not provide a listing of the costs incurred on each individual property.

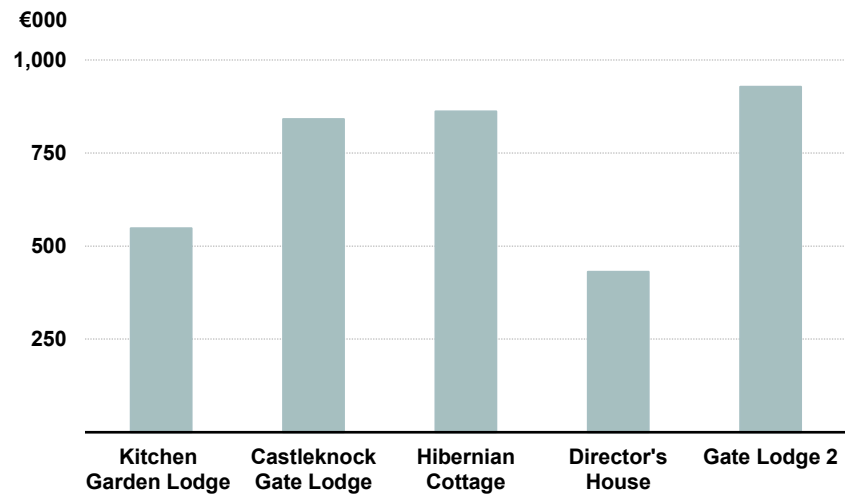
11.55 However, five properties accounted for almost half of the total costs, with over €900,000 spent on one property (see Figure 11.11). Three of these properties are now occupied by OPW employees. The other two properties have remained vacant since refurbishment was completed in December 2025.

Figure 11.10 OPW expenditure on residential properties 2020 – 2025

	€000	€000	€000
	Occupied	Vacant	Total
OPW-managed properties			
The Phoenix Park	2,514	2,346	4,860
Other locations	1,460	197	1,657
Properties managed by other entities^a			
Tailte Éireann	—	—	853
An Garda Síochána	—	—	345
NPWS	—	10	10
Irish Landmark Trust	6	—	6
Total			7,731

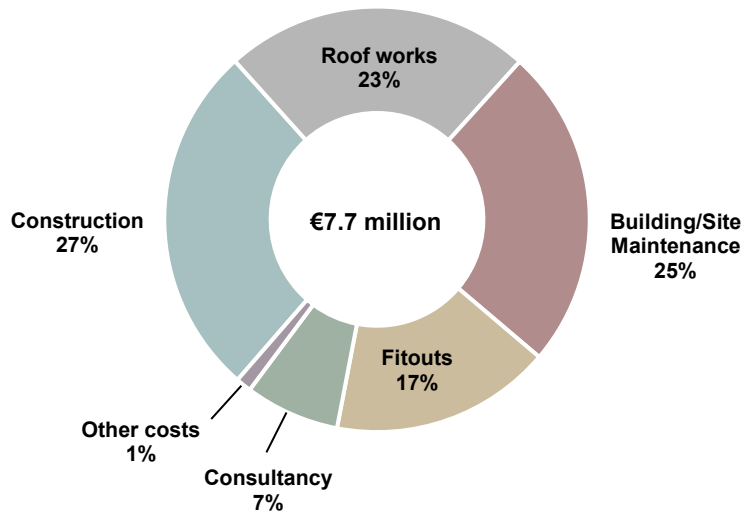
Source: Office of Public Works. Analysis by the Office of the Comptroller and Auditor General.

Note: a The breakdown of expenditure between occupied and vacant is not available for Tailte Éireann and An Garda Síochána.

Figure 11.11 OPW expenditure on residential properties 2020 – 2025

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

11.56 Construction and roof work costs amounted to €3.9 million (50%) of the total spent on maintenance and repair of residential properties in the period 2020 to 2025 (see Figure 11.12). The OPW has stated that these old, protected properties present complex and costly maintenance challenges, including asbestos, damp and structural decay. Specialist labour and traditional materials are often required, while utility charges can also be significant.

Figure 11.12 OPW spend on residential properties 2020 – 2025 by category

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

Conclusions and recommendations

- 11.57** The OPW controls one of the largest property portfolios in the State. According to its records, it owns and has responsibility for 92 residential properties within its portfolio of approximately 2,500 properties. The majority (60%) of the residential properties are in the Phoenix Park in Dublin, and the remaining properties are spread throughout the country.
- 11.58** The OPW is responsible for direct day-to-day management of 56 of the 92 properties. The OPW has assigned the control and use of the other residential properties to a number of other entities.
- 11.59** The OPW's data management system for its residential properties does not represent a comprehensive centralised record of standard property-related information such as property location, occupancy, tenancy details or rent payments. The original list of residential properties provided by the OPW to the examination team had a considerable amount of incomplete information.
- 11.60** Other sources of property information identified during the examination such as the workplace management system used by the OPW, the OPW's asset register and the record of VHT payments by the OPW do not easily reconcile with the information on the portfolio provided by the OPW.
- 11.61** Without a robust system for managing residential property information, the examination team was unable to obtain assurance as to the completeness and accuracy of the information provided by the OPW.

Recommendation 11.1

The OPW should compile and maintain a complete, accurate and up-to-date inventory of the residential properties it owns, including records of the formal arrangements governing the use and occupation of each property (e.g. assignment, licence, lease or tenancy agreements) to support effective oversight, safeguarding and management of the portfolio.

Accounting Officer's response

Agreed.

The OPW has an existing property database which will be enhanced with expanded functionality to ensure a consolidated set of records for residential properties. An inventory of residential properties will be completed by June 2027.

Timeline for Implementation

June 2027.

11.62 A property asset register is intended to be a detailed record of all land and buildings an organisation owns. Following a review of the register provided by the OPW, the examination team found that half of the buildings on the list of residential properties provided by the OPW were not on its asset register. Over two-thirds of the properties that are not on the OPW's asset register had been assigned to other entities for day-to-day management.

11.63 The OPW has assigned control and use of 36 of its residential properties to several other entities. However, there is no formal agreement in place that sets a framework for what property management functions are the responsibility of the respective parties or a policy for how the assets are accounted for.

Recommendation 11.2

The OPW should conduct a comprehensive review of its asset register to ensure that all property assets it owns are recorded and correctly classified. Furthermore, it should put in place a control mechanism to ensure timely and accurate updating of the register.

Accounting Officer's response

Agreed.

A comprehensive review of residential properties is ongoing and will be completed by the end of 2026. A reconciliation process for residential properties is now in place to ensure accurate updating of the asset register on an ongoing basis.

Timeline for Implementation

December 2026.

Recommendation 11.3

The OPW should put in place formal arrangements with other entities assigned management responsibility for residential properties to ensure clarity around the roles and responsibilities of each entity in relation to the proper management and recording of the assets.

Accounting Officer's response

Agreed.

Arrangements will be put in place taking account of the varied nature of the properties and uses within the portfolio, such as size, needs and requirements of entities assigned management responsibility of residential properties.

Timeline for Implementation

December 2026.

- 11.64** The OPW operates a residential property management policy that only applies to its properties in the Phoenix Park. The policy was put in place in 2015 and has not been reviewed or updated since.
- 11.65** The examination team identified instances of the OPW's management of the residential properties in the Phoenix Park that did not align with the policy. The policy stipulates that all personnel living in OPW residential properties must vacate the premises upon retirement. Since 2015, there has been an 83% increase in the number of properties occupied by retired OPW employees.
- 11.66** Periodic inspection of properties is standard good practice for property management. There was no evidence of inspections conducted by the OPW on residential properties it owns. The OPW's current property management policy only applies to some of its residential properties and does not include the requirement to conduct periodic inspections. Furthermore, the OPW does not have in place standard operating procedures for conducting periodic inspections or condition surveys.
- 11.67** The absence of a formal inspection regime may result in undetected maintenance or health and safety issues as identified during the audit visits. It may also result in the failure to detect unauthorised subletting by tenants or illegal activity, potentially exposing the OPW to legal, financial and reputational risks.
- 11.68** The examination team reviewed a recently drafted tenancy agreement and found no provision had been made for rent review. In addition, other long-standing agreements that were reviewed require updating and redrafting.

Recommendation 11.4

The OPW should conduct a risk assessment of its residential property portfolio and put in place comprehensive policies and related procedures that will address the risks identified and ensure a consistent approach to the management of its portfolio in line with good practice.

Accounting Officer's response

Agreed.

A residential property policy document finalised in September 2026 includes a risk assessment requirement of the residential property portfolio to ensure a consistent approach to the management of the portfolio in line with good practice. The risk assessment will be completed by June 2027.

Timeline for Implementation

June 2027.

- 11.69** There is no clear plan in place for the future use, refurbishment or repurposing of vacant properties within the OPW's portfolio. In a number of cases, properties have fallen into significant disrepair, and refurbishment to bring the properties to an acceptable standard for habitation may be very costly and not economically sustainable. Without a formal plan outlining intended use, timelines and funding requirements, there is an increased risk of not achieving value for money.

Recommendation 11.5

The OPW should formulate a strategic plan for residential properties, including clear proposals for all vacant residential properties within its portfolio.

Accounting Officer's response

Agreed.

The OPW is reviewing the future plans for the residential lodges including refurbishment or repurposing and are developing a strategic plan which will be completed by December 2026.

Timeline for Implementation

December 2026.

12 Financial management shared services: implementation progress

- 12.1** In January 2016, the financial management shared services (FMSS) programme was approved by Government. The aim of the programme includes the replacement of many different financial management and reporting systems in use across central government departments and offices with a single centrally managed system supported by a new finance shared service.
- 12.2** The National Shared Services Office (NSSO) is responsible for the delivery of the programme and the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (the Department of Public Expenditure) is an 'executive sponsor'.¹ The FMSS is a strategically important programme that represents the transformation of financial management for central government, through
- the creation of a single common chart of accounts²
 - standardisation of accounting processes and
 - technology automation.
- 12.3** The FMSS programme is a key enabler for the planned transition of central government departments and offices from a modified-cash basis of accounting to full accrual-based accounting.
- 12.4** Progress on the development of the FMSS system in the initial years was slow.³ In September 2020, the Government approved a proposal from the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation for the continued deployment of the FMSS programme over an extended indicative timeline to 2025 and an expanded indicative project budget of up to €115 million including VAT.

¹ The Department of Finance is also an executive sponsor.

² A chart of account is a listing of all the accounts and account codes that an organisation has identified as required for recording transactions in its general ledger.

³ *Report on the Accounts of the Public Services 2019*, chapter 5, [Implementation of financial management shared services](#).

⁴ A similar report was published in September 2023 — see *Report on the Accounts of the Public Services 2022*, chapter 6, [Financial management shared services: implementation progress](#).

Focus of the examination

- 12.5** This examination was undertaken to review the progress that the NSSO has made in implementing the FMSS programme since its reformulation in 2020.⁴ It does not assess the technical and operational capabilities of the FMSS system.
- 12.6** The examination involved the review of documentation, a comparison of plans/ budgets with actual output, and interviews with relevant NSSO staff. All expenditure figures presented in the report include VAT unless otherwise noted.

Project timescale

- 12.7** The business case for the FMSS programme, approved in January 2016, included a plan to deploy the FMSS system to the within-scope public service bodies (PSBs) in five waves by June 2020. The current onboarding schedule is shown in Figure 12.1. In all, 48 departments and offices are within the scope of the project.

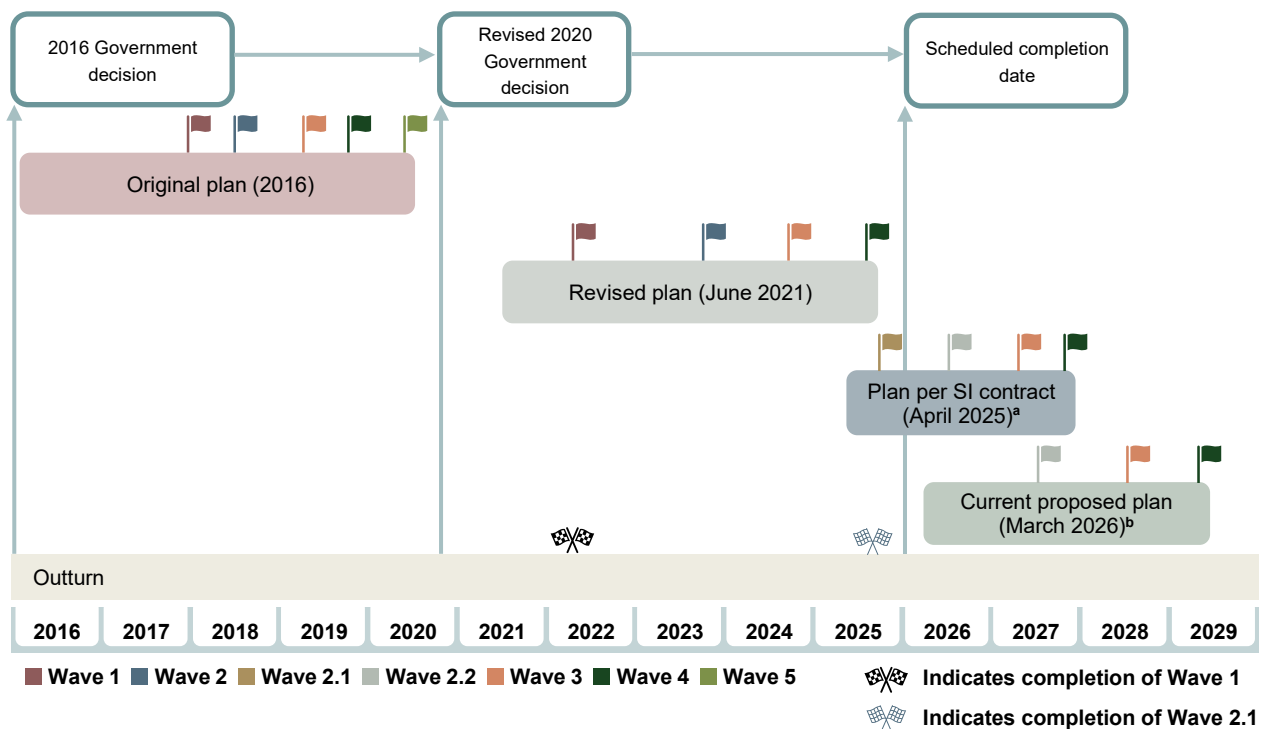
Figure 12.1 Composition of FMSS onboarding schedule, presented to the FMSS Client Steering Group in March 2026^{a,b}

Wave 1 (April 2022)	Wave 2.1 (Sep 2025)	Wave 2.2 (Q2 2027)	Wave 3 (Q2 2028)	Wave 4 (Q2 2029)
• Department of Finance • Office of the Ombudsman • President's Establishment • Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation • Office of the Government Chief Information Officer • National Shared Services Office • Office of Government Procurement • Office of Comptroller and Auditor General	• Department of the Taoiseach • Fiosrú • Data Protection Commission • National Museum of Ireland • Department of Rural and Community Development and the Gaeltacht • Táilte Éireann • Policing and Community Safety Authority • Department of Transport	• Department of Justice, Home Affairs and Migration • Courts Service • Department of Culture, Communications and Sport • Irish Prison Service • An Garda Síochána • Department of Social Protection • Office of the Revenue Commissioners • Tax Appeals Commission	• Department of Health • Public Appointments Service • Law Reform Commission • Legal Aid Board • National Council for Special Education • National Library of Ireland • Office of Public Works • Office of the Director of Public Prosecutions • Central Statistics Office • Department of Children, Disability and Equality • Irish Human Rights and Equality Commission	• Chief State Solicitor's Office • Department of Agriculture, Food and the Marine • Department of Climate, Energy and the Environment • Department of Defence • Department of Education and Youth • Department of Foreign Affairs and Trade • Department of Enterprise, Tourism and Employment • Department of Further and Higher Education, Research, Innovation and Science • Department of Housing, Local Government and Heritage • National Gallery of Ireland • Office of the Attorney General • State Examinations Commission • State Laboratory

Source: National Shared Services Office

Notes: a FMSS has been deployed to wave 1 and wave 2.1.

b In October 2024, the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation informed the NSSO that a revised governance framework for the FMSS project shall be put in place. The FMSS Client Steering Group and the FMSS Working Group were established, replacing the previous governance framework, including the FMSS Programme Board. The Steering Group is not a decision-making body.

Figure 12.2 FMSS planned rollout vs actual (as at May 2026)

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

Notes: a System implementation partner.

b See Figure 12.1.

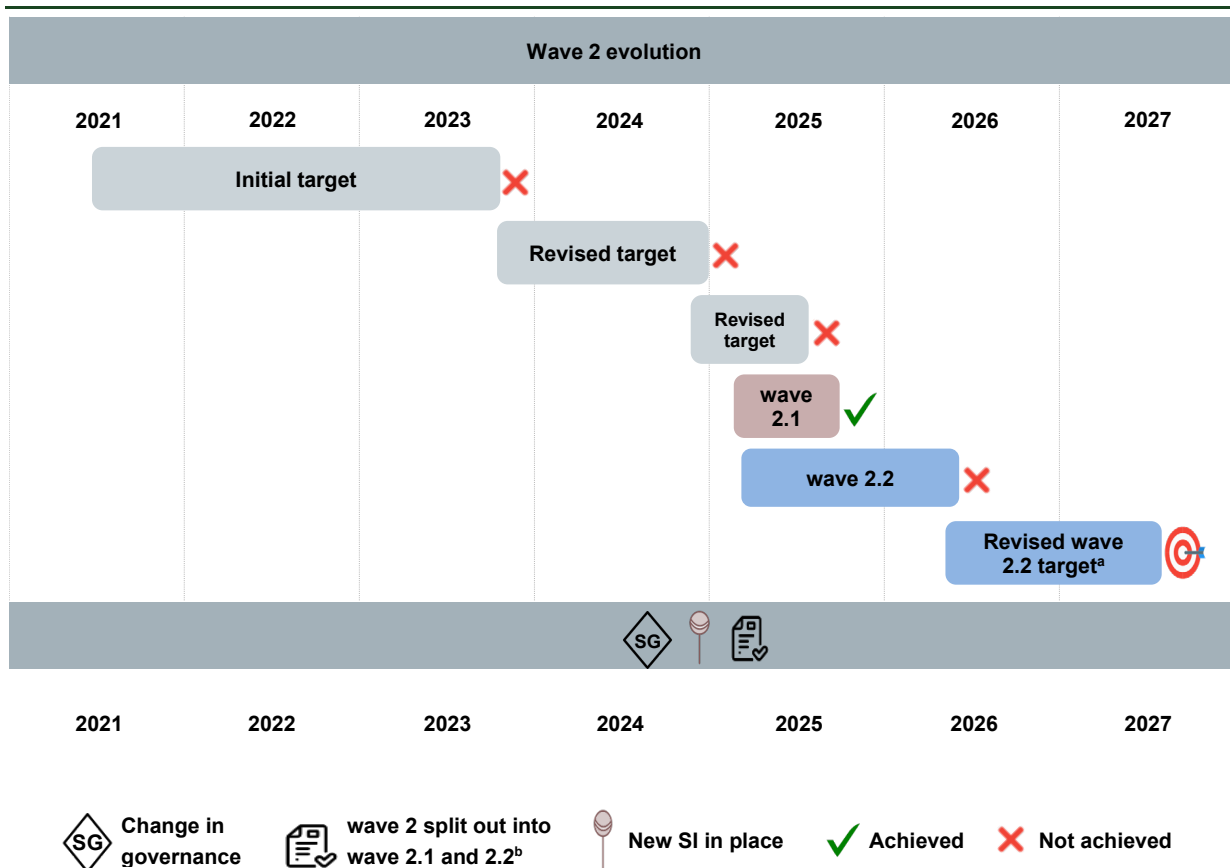
- 12.8** Overall, there have been significant delays in the rollout of the programme. Figure 12.2 provides an overview of plans in place at various times since the commencement of FMSS and what has been delivered to date.
- 12.9** In September 2020, a revised full project implementation timeline to 2025 was approved by Government. To date, 16 PSBs have been onboarded to the FMSS system in two separate tranches.
- 12.10** The proposed plan for the rollout of the FMSS, supported by the FMSS Client Steering Group (Steering Group) in March 2026, envisages a project completion date of 2029 i.e. nine years after the original planned completion date.
- 12.11** The proposed plan replaces the indicative timeline set out in the contract signed in April 2025 between the NSSO and the system implementation partner (SI).⁵ Within a year of that contract being signed, the completion date of the FMSS project was extended by 18 months, from quarter 4 2027 to quarter 2 2029. A detailed implementation plan has been prepared for wave 2.2 with high-level plans in place for wave 3 and 4.
- 12.12** The Department of Public Expenditure stated that the FMSS system has been delivered, and the programme has transitioned to an operational and change management approach. Furthermore, the Department of Public Expenditure stated that it is considering the future operational deployment of the programme.

⁵ The April 2025 contract was with a new SI, replacing the SI who had been in place since 2016. The SI is responsible for the design, configuration, build, test, implementation, transition, environment management, application management, post go-live support and exit management services required to deploy the FMSS solution for future waves.

Scope of the FMSS

- 12.13** The FMSS was rolled out to eight PSBs in April 2022. While the administrative expenditure of the Department of Finance was included within the shared service rollout, the planned extension of the system to cover transactions of the Central Fund of the Exchequer was dropped. The Central Fund no longer forms part of the scope of the FMSS.
- 12.14** Three other bodies which were previously included in the scope of the FMSS programme are not included in the current proposed implementation plan. These are the Houses of the Oireachtas Commission, the Competition and Consumer Protection Commission, and the Irish Auditing and Accounting Supervisory Authority.
- 12.15** In addition to the bodies dropped from the latest proposed implementation plan, some PSBs have moved between waves (see Annex 12A). What was originally planned as ‘wave 2’ has also been split into ‘wave 2.1’ and ‘wave 2.2’, with different implementation target dates. In September 2025, the FMSS was rolled out to the eight PSBs that constitute wave 2.1, bringing the total number of PSBs operating on FMSS to 16. Figure 12.3 illustrates the different target dates for the deployment of wave 2 since the 2020 government decision.

Figure 12.3 Timeline of wave 2 deployment



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

Notes: a As per proposed plan supported by the Steering Group in March 2026.

b In April 2025, the Steering Group approved the option to split wave 2 into two phases — wave 2.1 and wave 2.2.

Deployment of remaining waves

- 12.16** In March 2026, the NSSO provided the Steering Group with five delivery options for the deployment of the FMSS to the remaining waves of PSBs (see Annex 12B). This included finishing the deployment to five wave 2.2 bodies and then ceasing the project.
- 12.17** The Steering Group agreed to support the adoption and deployment of option two. This included increasing the number of PSBs included in wave 2.2 from five to eight, with completion of that wave by June 2027, and waves 3 and 4 being completed in 2028 and 2029.

Project delays

- 12.18** The NSSO provided the following explanations for the delays in the FMSS programme rollout
- infrastructure readiness — the NSSO's infrastructure required upgrading during the programme
 - procurement of a new SI — the procurement process took 11 months from issuing of the tender to the contract being signed
 - increasing programme scale and complexity — the scope expanded beyond what had been anticipated during the initial planning phases in 2016
 - evolving cybersecurity and data protection requirements
 - developing financial reporting standards and associated compliance requirements necessitated extra system configuration, validation, and build effort to ensure the solution remained aligned and future proof
 - complexity involved was underestimated — each PSB starts from different legacy practices and readiness levels, and aligning their data, behaviours, roles and workflows requires careful coordination
 - disruption caused by the Covid-19 pandemic
 - lessons learned reviews — original plans did not allocate dedicated time for lessons learned reviews after each deployment.

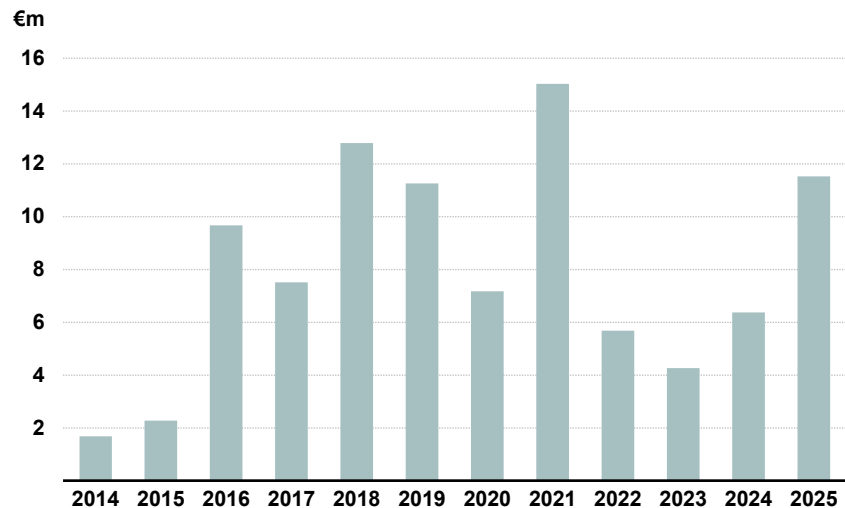
Post-implementation reviews

- 12.19** The NSSO conducted an independent review of the implementation of the wave 1 transfer of eight PSBs to the FMSS. The NSSO stated that, following the implementation of wave 2.1, it conducted an internal review in conjunction with relevant stakeholders including wave 1 and wave 2.1 PSBs.
- 12.20** The NSSO stated that the lessons learned from wave 2.1 highlighted progress made since wave 1 in areas such as training, governance and PSB feedback. It also identified areas where improvement is required, particularly relating to transition preparation, configuration testing, early provision of data and the embedding of operational change.

Project costs

- 12.21** At the end of 2025, total expenditure on the FMSS project amounted to €95 million. Total expenditure by year is set out in Figure 12.4.

Figure 12.4 Total expenditure on the FMSS programme per annum, 2014 – 2025



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

Initial budget

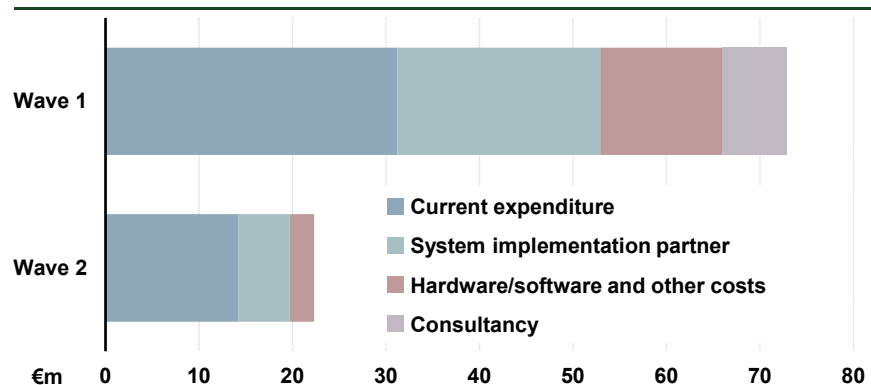
- 12.22** The initial business case, approved by Government in January 2016, proposed an investment of €54 million for the full implementation of the FMSS system for 48 PSBs with an expected completion date of quarter 2 2020.⁶ Expenditure on the FMSS project at the end of 2020 amounted to €52 million with no PSBs transferred to the FMSS system.

Revised budget

- 12.23** In September 2020, the Government approved a revised total budget of €115 million for the continued deployment of the system to all PSBs by the end of 2025. The memorandum for Government included an indicative annual funding requirement/profile until 2025 but did not include a breakdown of the estimated costs to deploy each individual wave.
- 12.24** The NSSO has not set out a project budget reflecting each stage of the project. Therefore, it is not possible to assess cost overruns on a wave-by-wave basis. However, with 83% of the budget amount spent by end 2025, only 16 of the currently planned 48 PSBs had transferred to the FMSS system. A balance of €20 million remains in the current budget to cover the cost of transferring the remaining 32 PSBs over a projected four-year implementation period (2026 – 2029).

⁶ The memorandum for Government proposed a total budget of €47.4 million, excluding VAT.

- 12.25** Figure 12.5 presents the breakdown of expenditure for the waves deployed to date.

Figure 12.5 Breakdown of FMSS expenditure for waves 1 and 2, 2014 – 2025

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

- 12.26** In July 2023, the NSSO presented a budget to the FMSS Programme Board for wave 2. The projected costs to complete wave 2 were €19.3 million.
- 12.27** At the end of 2025, wave 2 expenditure had exceeded the complete wave 2 budget. The NSSO could not break down actual wave 2 expenditure between wave 2.1 and 2.2. The NSSO has stated that as activities will overlap during the various implementation phases, it is not possible to estimate the cost of each specific wave without a more detailed analysis of the activities undertaken within each workstream.

Remaining budget requirement

- 12.28** The NSSO was unable to provide the examination team with project budgets for waves 2.2, 3 and 4 and an estimate of the costs to complete the FMSS project has not been provided to the examination team.
- 12.29** The proposed plan supported by the Steering Group (March 2026) indicates that full rollout of the FMSS system will extend to 2029. The NSSO has indicated that additional funds to deliver the programme over a longer timeframe would be required and the amount of incremental funding that may be required to deliver the full programme are being assessed.
- 12.30** The NSSO has stated that an updated budget was presented to the Department of Public Expenditure in May 2026, with a further follow-up in July 2026, on foot of the Steering Group's support of the proposal to deliver the remainder of the programme over three annual go-live waves.
- 12.31** Government approval has not been sought for the ongoing deployment of the FMSS project beyond 2025, nor for the additional funding required. The Department of Public Expenditure stated that future funding decisions will be considered through the annual estimates process with full oversight by Government.

Anticipated project savings

- 12.32** The original business case for the FMSS programme anticipated savings of €15.4 million per annum once the programme was fully operational. The original business case also set out a project payback period of 7.1 years based on the original budget.
- 12.33** Since the original business case, only 16 of the PSBs have transferred to the FMSS system and the budget has increased by approximately €47 million (excluding VAT). However, the NSSO has not conducted a formal cost-benefit analysis that takes account of the extended timeline and increasing budget.
- 12.34** In the last examination of the FMSS project (September 2023), the Comptroller and Auditor General recommended that the NSSO should recalculate the 2016 estimated savings, taking account of the experience from the wave 1 rollout. The NSSO stated that it would undertake the recommended review after the wave 2 implementation, which at that stage was anticipated to occur at end 2024. The NSSO has reconfirmed its stated intention to undertake the recommended review exercise following the implementation of wave 2 in full, currently projected to be by end June 2027.

System implementation partner

- 12.35** The NSSO signed an interim contract with a new SI in December 2024 and subsequently signed a contract for services with that SI in April 2025. The contract included
- an implementation plan to deploy the FMSS to all the remaining within-scope PSBs by the end of 2027 and
 - a payments structure linked to key project milestones.
- 12.36** The interim contract amount was €1.1 million and the full contract for services amount was €15.8 million. As of July 2026, €1.1 million has been spent on the interim contract and €4.2 million on the contract for services. No payments have been made to the SI for work on waves 3 and 4.⁷
- 12.37** The contract included several milestones attributed to the different waves — five in the interim contract and 39 in the contract for services. The last milestone date is the end of November 2027.
- 12.38** However, the new proposed plan supported by the Steering Group in March 2026 — 11 months after the SI contract was signed — has pushed out the planned delivery dates for each of the waves. This results in a delay of 18 months on the completion of the project when compared to the contract dates.

Conclusions and recommendations

- 12.39** The financial management shared services (FMSS) project is a significant programme that aims to transform financial management for central government. The National Shared Services Office (NSSO) is responsible for the rollout of the programme in partnership with 48 client public service bodies (PSBs).

⁷ The figures stated for the interim contract, the contract for services and the amounts spent are VAT exclusive.

Progress and costs

- 12.40** Delivery of the FMSS project is significantly behind schedule. There have been numerous changes to planned rollout dates and the configuration of the implementation waves.
- 12.41** The contract put in place with the new SI in April 2025 had a final milestone for the rollout of the last wave as November 2027.
- 12.42** In March 2026, the latest proposed implementation plan was presented by the NSSO to the FMSS Client Steering Group. That plan envisages full deployment of the FMSS system by quarter 2 2029 — this is nine years later than what was envisaged in the initial 2016 plan approved by Government and over three years later than what was envisaged in the revised plan approved by Government in 2020.
- 12.43** To date, only one-third of the planned PSBs had transferred to the FMSS system.
- 12.44** In 2020, the Government approved a revised project budget of €115 million for the FMSS. At the end of 2025, total expenditure on the programme amounted to €95 million, representing 83% of the revised budget. While spending on the FMSS currently remains within the approved spending limit, it does not appear to remain within budget to complete all waves.
- 12.45** The NSSO did not align the programme budget with the implementation waves/phases. As a result, there is limited potential for effective budget monitoring and cost control by wave.
- 12.46** The NSSO has acknowledged that additional project funds will be required, but there is no government approval in place for any further extension of the programme timelines or budget.

Recommendation 12.1

The NSSO should put in place a comprehensive plan for the completion of the FMSS programme that details realistic and achievable targets along with accurate and evidence-based budgets by wave (phase) to allow for informed decisions about the future of the programme.

Accounting Officer's response

Agreed.

The NSSO will provide a plan to the Department of Public Expenditure in advance of the next Steering Group meeting in September 2026. This plan along with budgets will be updated at key milestones through the remainder of the programme. While budgets will be prepared by wave, it is important to note that many outputs are delivered in parallel and not always possible to attribute directly to a specific wave. The timing of go live for PSBs will remain flexible and PSBs may move between waves depending on priorities and readiness status. Therefore, the budgeted cost per wave is likely to change throughout the programme.

Timeline for implementation

September 2026.

Anticipated savings and payback

- 12.47** The original business case for the FMSS programme anticipated savings of €15.4 million per annum once the programme was fully operational and projected a payback period of 7.1 years based on the original budget. Since then, the original budget has doubled, with the expectation that further funding will be required to complete the project.
- 12.48** In September 2023, the Comptroller and Auditor General recommended that the NSSO should reappraise the estimated savings anticipated from the project, taking account of the experience from the wave 1 rollout. As wave 2.1 has since been rolled out, there is potentially further information to inform an assessment of the value for money achievable through the FMSS reforms. Any such analysis and subsequent decision making should, of course, recognise the sunk costs represented by the considerable investment to date.
- 12.49** Ten years have elapsed since the anticipated savings and payback period relating to the FMSS programme were calculated. The project is continuing with delays, increasing expenditure and significant under-delivery. A cost-benefit analysis for the programme based on the current information is not available. In the absence of a comprehensive investment re-evaluation, there is a risk that the FMSS programme will continue without assurance that value for money is being achieved.

Recommendation 12.2

The NSSO should reassess the projected savings and payback period for the FMSS along the lines set out in the 2016 business plan and conduct a cost-benefit analysis of the options currently available for the future of the programme.

Accounting Officer's response

Agreed.

The NSSO has committed to conducting a benefits analysis following the full deployment of wave 2 in quarter 2 2027. It is deemed that the shared services delivery model will have reached the necessary scale and maturity at that stage. A framework to benchmark and track benefits and savings has been developed by the NSSO. This will be applied to assess projected savings and payback periods as set out in the 2016 business case.

A high-level cost benefit analysis was prepared for all of the programme implementation options considered by the FMSS Client Steering Group in March 2026.

Timeline for implementation

December 2027.

Annex 12A Change of wave composition since previously reported in 2023

Wave 1	Wave 2	Wave 3	Wave 4	Key
- Department of Finance - Exchequer - Office of the Ombudsman - President's Establishment - Department of Public Expenditure - Office of the Government Chief Information Officer - National Shared Services Office - Office of Government Procurement - Office of the Comptroller and Auditor General	- Tailte Éireann - National Museum of Ireland - Department of the Taoiseach - Fiosrú - Policing and Community Safety Authority - Department of Rural and Community Development and the Gaeltacht - Data Protection Commission - Department of Transport - Department of Justice, Home Affairs and Migration - An Garda Síochána - Irish Prison Service - Courts Service - Department of Culture, Communications and Sport	- Department of Foreign Affairs and Trade - Department of Housing, Local Government and Heritage - Office of Public Works - Office of the Director of Public Prosecutions - Houses of the Oireachtas Commission - Central Statistics Office - Department of Health - Legal Aid Board - Competition and Consumer Protection Commission - Office of the Revenue Commissioners - Tax Appeals Commission - National Council for Special Education - Law Reform Commission - National Library of Ireland - State Examinations Commission - Irish Human Rights and Equality Commission	- Department of Climate, Energy and the Environment - Office of the Attorney General - Office of the Chief State Solicitor - Department of Children, Disability and Equality - Public Appointments Service - Department of Education and Youth - Department of Enterprise, Tourism and Employment - Department of Social Protection - Department of Defence - State Laboratory - Department of Agriculture, Food and the Marine - National Gallery of Ireland - Irish Auditing and Accounting Supervisory Authority - Department of Further and Higher Education, Research, Innovation and Science	- Removed from FMSS project - Wave 2.1 - Wave 2.2 - Wave 3 - Wave 4

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

Annex 12B Options provided to the FMSS Client Steering Group for the continued deployment of the FMSS project, 11 March 2026

Option 1	Option 2 ^a	Option 3	Option 4	Option 5
• Extend wave 2.2 timeline to Q2 2027, with future waves moved sequentially to 2028 and 2029	• Augment wave 2.2, link additional PSBs and introduce go-live windows in Q2 2027, 2028 and 2029	• Reorder waves, bring one or more wave 3 PSBs forward to Q1 2027, then deliver the Justice Vote group in Q3 2027	• Reconfigure into two final waves delivering wave 3 in 2027 and wave 4 in 2028	• Complete one wave within the current budget, then stop

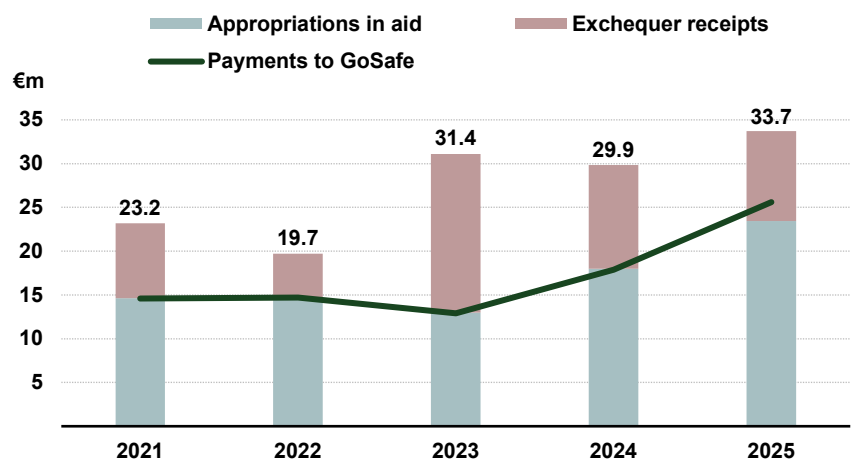
Source: National Shared Services Office

Note: a Option 2 was the preferred and agreed option by the FMSS Steering Group.

13 Cancellation of fixed charge penalty notices due to errors

- 13.1** GoSafe is a private company contracted to An Garda Síochána for the provision of services including the operation and management of national safety and speed detection camera networks across Ireland under the direction of An Garda Síochána.¹
- 13.2** The Office for Safety Camera Management (OSCAM) within An Garda Síochána is responsible for day-to-day management and oversight of traffic safety camera operations. OSCAM's responsibilities include financial control, monitoring of operations, performance management, site approval, reporting and consultation.
- 13.3** GoSafe has responsibility for ensuring that traffic monitoring and survey sessions are conducted in accordance with the agreed schedules, and for the provision of survey and monitoring data to An Garda Síochána. GoSafe provides the necessary monitoring and survey equipment, vehicles and operators.
- 13.4** In the period 2021 to 2025, receipts of €138 million were generated from fixed charge penalty notices (FCPNs) that issued arising from speeding detections by GoSafe cameras. An Garda Síochána made payments of €85.7 million in that period to GoSafe. The costs of the service are an effective first charge on the receipts, and the balance is remitted to the Exchequer.²

Figure 13.1 Receipts from FCPNs and GoSafe costs 2021 – 2025



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

- 13.5** In 2025, An Garda Síochána cancelled 2,785 FCPNs that had issued following excessive speed detection by two static cameras. The cancellation of the notices resulted in the loss of fine receipts estimated to total €445,600.³ The related penalty points were either cancelled or not applied to driver licences.
- 13.6** An Garda Síochána estimated the administration costs associated with the cancellations amounted to €3,654.

1 Following public procurement processes, An Garda Síochána awarded consecutive contracts to GoSafe in November 2010, August 2016 and November 2025.

2 Amounts required by An Garda Síochána to pay GoSafe are retained from the total amounts collected and recorded as appropriations-in-aid of the Vote.

3 Standard speeding offences incur a fine of €160 and the attachment of three penalty points to the driver's licence. Estimated loss: €160 x 2,785 = €445,600.

Figure 13.2 Circumstances leading to the cancellation of FCPNs**Case 1 — N17 County Mayo**

On 12 February 2025, An Garda Síochána and GoSafe identified an issue in relation to a static speed detection camera on the N17, during an exercise where An Garda Síochána was collating copies of calibration certificates for each camera operated by GoSafe. The camera on the N17 was operating effectively but it did not have a valid certification of calibration. The static camera had become operational on 20 December 2024. Between the date the camera became operational and when the error was identified, 1,871 speeding fixed charge notices had been issued by An Garda Síochána. Each of the notices was subsequently revoked. The audit team has estimated that the approximate loss as a result of the cancellation of the FCPNs was €299,360.

An Garda Síochána stated that refunds were issued to 923 motorists that had paid fines prior to the calibration error being identified. Motorists had paid fines at both the standard rate of €160 and at the increased rate of €240 that applies if the fine is not paid within 28 days.

The camera calibration certificate was issued on 13 February 2025.

Case 2 — N25 County Kilkenny

In June 2025, An Garda Síochána identified an error in the location included in an FCPN that had issued when they received an application for the notice to be cancelled from a member of the public. The validity of the offence location was being questioned by the motorist.

The error related to an incorrect townland being recorded in the FCPN processing system, rendering the notice invalid. The FCPN processing system is maintained by An Garda Síochána.

Between 30 May 2025 and 30 June 2025, 914 speeding FCPNs were issued by An Garda Síochána with the offence location recorded as N25 Ballynamona, Mullinavat, Kilkenny. The correct location was N25 Ballynamona, Glenmore, Kilkenny. Each of the notices was subsequently revoked.

The audit team has estimated that the approximate loss as a result of the cancellation of the FCPNs was €146,240.

An Garda Síochána noted that refunds were issued to 208 motorists that had paid fines prior to the location error being identified.

The error was rectified on the FCPN processing system on 30 June 2025, when the correct location was uploaded. The static speed detection camera resumed its operations from 4 July 2025.

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

Measures put in place to avoid errors reoccurring

- 13.7** An Garda Síochána confirmed to the audit team that the following controls are now in place to prevent the errors reoccurring.
- Copies of all fixed and average speed detection camera calibration certificates are obtained from the outsourced service provider, GoSafe.
 - An internal record including details relating to the issuing and renewal dates of each calibration certificate is now maintained by An Garda Síochána. GoSafe is required to confirm the replacement of each calibration certificate on the renewal date.
 - GoSafe has implemented enhanced safeguards within its quality assurance processes to include daily compliance checks of calibration certification status for every monitoring session and weekly reviews of all required calibration certifications by GoSafe management.
 - Location assessments for all fixed and static speed detection cameras are reviewed by OSCAM before being added to the Garda Síochána IT system to confirm their integrity. This includes review of the location identifier, the location address including townland, town and county, the relevant byelaws and the enforcement speed.

Recovery of losses incurred

- 13.8** The GoSafe contract in place at the time of the N17 and N25 incidents did not contain a provision for the recovery of losses in the event of a failure originating from GoSafe.
- 13.9** The current GoSafe contract, which is effective from 1 November 2025, includes a provision that an amount may be withheld if the service provider, GoSafe, fails to provide the services in accordance with the contract terms.
- 13.10** An Garda Síochána has stated that the costs of operating the static speed detection camera on the N17 during the affected period were recovered from GoSafe.

Conclusions and recommendation

- 13.11** Due to errors and a lack of compensating controls, An Garda Síochána has not collected approximately €445,600 in fines associated with the operation of two static speed detection cameras. Related penalty points could not be applied to the licences of motorists driving in excess of the speed limit that were identified by the speed detection cameras due to these errors.
- 13.12** In the case of one of the incidents, An Garda Síochána was able to recover the costs of operation of the camera during the period when speeding fines were not enforceable.
- 13.13** An Garda Síochána has taken steps to strengthen controls over the static camera and FCPN systems. However, there is scope for formalisation of procedures to help avoid situations where motorists detected speeding are able to avoid the appropriate statutory financial and licence point penalties.

Recommendation 13.1

A set of formal procedures should be devised by An Garda Síochána setting out the processes to be followed prior to setting up a new location on the FCPN processing system.

Accounting Officer's response

Agreed.

An Garda Síochána is at the latter stages of the drafting of such a procedure document.

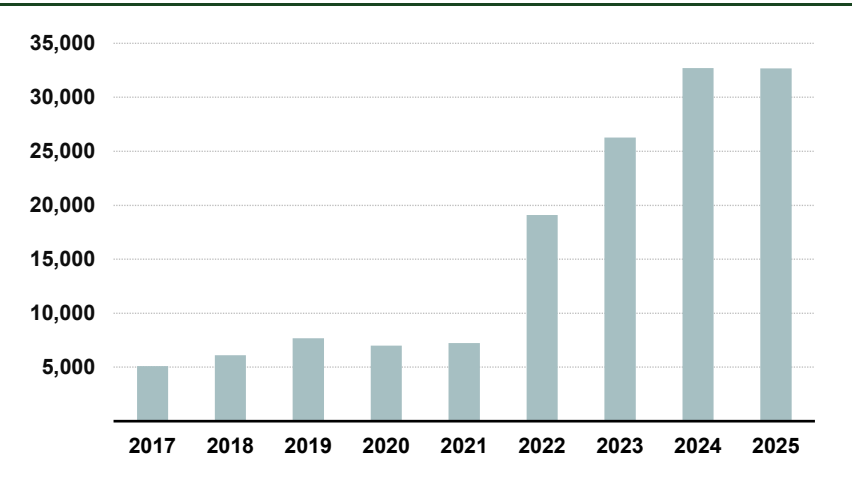
14 Cancellation of pre-contract accommodation agreements

- 14.1** The 2025 appropriation account for Vote 24 Justice, Home Affairs and Migration recognises accrued expenses of €35 million in respect of the provision of accommodation for international protection seekers. A material but undisclosed part of the accrued expense relates to payments made arising from settlements reached with potential providers of accommodation whose pre-contract agreements with the International Protection Accommodation Service (IPAS) were cancelled in 2025.
- 14.2** This report sets out the circumstances that gave rise to these expenses.

Background

- 14.3** On 1 May 2025, the Department of Justice, Home Affairs and Migration (Department of Justice) became responsible for the provision of accommodation and related support services to international protection applicants through the IPAS.¹ Prior to this date, these functions were undertaken by the (then) Department of Children, Equality, Disability, Integration and Youth (Department of Children). The transfer of functions included transfer of the IPAS staff and records, for which the Department of Justice is now accountable.
- 14.4** The number of international protection applicants arriving in Ireland has increased significantly since 2021. This resulted in a rapid increase in the number of applicants seeking State-supported accommodation. In response, the IPAS procured a substantial quantity of additional accommodation from private service providers, for example commercial hotels and guesthouses, on an emergency basis.

Figure 14.1 Total number of residents in IPAS accommodation at year-end 2017 – 2025



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

¹ International protection 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 on that basis.

14.5 At end December 2025, there were 32,689 international protection applicants availing of State-provided accommodation, resident in 324 accommodation centres (see Figure 14.1). Of these, 77% were resident in 269 emergency accommodation centres provided by commercial operators.

14.6 The cost of providing international protection accommodation amounted to €1.36 billion in 2025 (2024: €1.06 billion).

Accommodation strategy

14.7 In March 2024, the Government approved an accommodation strategy aiming to reduce the State's reliance on commercial providers by 2028 through increasing State-owned bed capacity to 14,000.² The reliance on commercial providers will be for contingency and emergency accommodation only (totalling up to a further 21,000 beds).

14.8 The key actions identified to allow the IPAS to achieve the strategic objectives were

- conversion of existing commercial properties to international protection accommodation, with a focus on conversion of empty office blocks
- acquisition and utilisation of HSE and State lands to bring accommodation on stream quickly using fast prefabricated and other modern methods of construction
- purchase of targeted medium and larger properties in turnkey or near-turnkey condition.³

14.9 The Department of Children launched an 'expression of interest' process on 30 April 2024 to source suitable properties as international protection accommodation. The process sought to identify properties for acquisition/lease under the following criteria

- 150 beds or more
- bedrooms in line with national standards for international protection accommodation
- existing properties/buildings in turnkey condition
- existing properties that require upgrading/refurbishment/renovation.

14.10 The Department of Justice confirmed that 134 submissions were received in response to the expression of interest process. The Department has stated that no contracts for accommodation provision were put in place as a result of this process.

² [Comprehensive Accommodation Strategy for International Protection Applicants.](#)

³ In August 2025, the Department purchased CityWest Hotel and Convention Centre for €148.2 million. The property can accommodate an estimated 2,300 persons.

Pre-contract agreements

14.11 The Department of Justice has stated that pre-contract agreements were entered into with potential accommodation providers in respect of 15 properties, and that the providers did not emerge from the expression of interest process.

- 14.12** The Department of Justice stated that pre-contract agreements were first used by the International Protection Procurement Service (IPPS) in May 2024. The purpose of introducing such agreements was to provide security for potential providers of temporary emergency accommodation for their investments in larger-scale accommodation centres and for the Department in delivering on its goals and meeting its requirements under EU legislation.
- 14.13** The Department of Justice stated that prior to the introduction of the pre-contract agreements, the IPPS had received feedback from potential providers of accommodation that they were finding it increasingly difficult to access the credit necessary to refurbish large properties for the provision of international protection accommodation. Credit institutions/lenders appear to have viewed the investments as high risk due to the absence of a guarantee to lease after conversion/refurbishment works had been completed. The IPPS had previously issued letters of intent to potential accommodation providers, but it was understood that credit institutions were no longer willing to accept these as proof of commitment.
- 14.14** The Department of Justice has stated that each signed pre-contract agreement contained two appendices.
- Appendix I outlined the floorplans of the proposed centre as they would appear when works were completed and agreed with the Department.
 - Appendix II contained a draft of the agreement for the temporary emergency accommodation of international protection applicants to be put in place upon satisfactory completion of the works in a timely manner.
- 14.15** The introduction of pre-contract agreements represented a move by the State away from small-scale, short-term direct-award contracts towards agreements to deliver accommodation on a larger scale. It is understood that the IPPS undertook to use the proposed accommodation for periods of two to three years at a specified daily rate per bed, with optional extensions for up to five further years in some cases. This was subject to certain conditions being met by the accommodation provider, including delivery of the project within a certain timeline and compliance with planning, fire and building regulations.

Control over contingent liabilities

- 14.16** The signing of the pre-contract agreements in 2024 and early 2025 represented commitments to significant future expenditure if the accommodation providers fulfilled the obligations specified in the agreements. They therefore represented significant contingent liabilities for the Exchequer.
- 14.17** The Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (Department of Public Expenditure) has set out procedures in relation to the creation of contingent liabilities.⁴ It has stated that arrangements giving rise to contingent liabilities should only be entered into where necessary and after the potential expenditure implications have been evaluated and assessed. The creation of any contingent liabilities of substantial value requires the specific sanction of the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation.

⁴ [Public financial procedures \(PfP\), section C8 - International Agreements and Contingent Liabilities.](#)

- 14.18** The Department of Justice has stated that the Department of Public Expenditure was not consulted prior to entering the pre-contract agreements. No contingent liability in respect of the pre-contract agreements was disclosed in the 2024 appropriation account for Vote 40 Children, Disability, Equality, Integration and Youth.

Decision not to proceed

- 14.19** Prior to the formal transfer of integration and reception functions from the Department of Children in May 2025, the Department of Justice had begun preparations for the additional role including policy considerations. A key policy objective was to curtail further growth in the size of the international protection property portfolio and to reduce it over time.
- 14.20** The Department decided to proceed with one of the lease agreements provided for under the pre-contract agreements. Three of the agreements lapsed when the proposals were withdrawn or were deemed to have lapsed. The Department decided in mid-2025 to terminate the remaining agreements, and the potential providers were notified of the decision.
- 14.21** High Court proceedings were initiated against the Minister for Justice, Home Affairs and Migration in 2025 and 2026 by five of the counterparties to the pre-contract agreements. The Department has stated that the potential combined value of the related agreements was more than €100 million.
- 14.22** Following mediation, the Department of Justice made settlement payments in three of the legal cases. Plaintiff costs in those cases remain outstanding for agreement and payment.⁵ The settlement amounts are significantly less than the estimated contract values. Settlement was not reached through mediation in the other two cases. The Department of Justice expects that those cases will proceed to hearing by the Commercial Court in due course.
- 14.23** The Department of Justice has expressed concern that publication of details relating to the settlement payments or to the Department's response to claims could hamper the State in the legal proceedings.
- 14.24** The Department of Justice's view is that costs incurred could only have been avoided if the Department had proceeded with greater expenditure for services that the Department did not want or need.

Sanction for settlement payments

- 14.25** The Department of Justice requested sanction from the Department of Public Expenditure to make the settlement payments. The request for sanction in each case was accompanied by a 'case settlement form', signed by the Accounting Officer of the Department of Justice.
- 14.26** The Department of Public Expenditure sanction letters stated that it was notified of the legal cases only when mediation had been scheduled, which took place several months after the Minister for Justice, Home Affairs and Migration agreed to pursue mediation of the cases.

⁵ Plaintiff's costs include fees for quantity surveyors, forensic accountants, solicitor and counsel fees for the litigation and mediation. These costs will be presented by way of a bill of costs, which will be submitted to the State Claims Agency for consideration.

- 14.27** The sanction conveyed by the Department of Public Expenditure was subject to the settlement amounts being in full and final settlement of all claims, that the settlement complied with all public financial procedures and that the settlement expenditure would not give rise to an excess on Vote 24 in 2026.
- 14.28** The Department of Justice has stated that the approach to accommodation procurement using such pre-contract agreements is now entirely discontinued in favour of long-term plans for State accommodation and an overhaul of commercial contracts under value-for-money initiatives.

Conclusions

- 14.29** The pre-contract agreements entered into by the Department of Children in 2024 and early 2025 gave rise to significant contingent liabilities for the Exchequer. A specific sanction should have been sought from the Department of Public Expenditure prior to entering the pre-contract agreements. The contingent liability they entailed was not disclosed in the 2024 appropriation account for Vote 40 Children, Equality, Disability, Integration and Youth.
- 14.30** The decision not to proceed with most of the agreements was taken in mid-2025. Subsequently, five legal cases were initiated against the Department of Justice by the counterparties to some of the pre-contract agreements. Following mediation, settlement agreements have been reached in three cases. Agreement was not reached following mediation in two cases, and legal proceedings are continuing.
- 14.31** The Department of Justice has made substantial payments in 2026 arising from the settlement agreements. In line with the relevant accounting policies, the Accounting Officer has recognised the settlement payments as accrued expenses in the statement of financial position for Vote 24 as at 31 December 2025. The estimated value of any plaintiff legal or other costs arising from the settlement agreements has not been provided for in the 2025 account.
- 14.32** The Accounting Officer has also disclosed that there are contingent liabilities arising from the ongoing legal proceedings. The Accounting Officer has not provided an estimate of the potential liabilities that may arise from ongoing legal proceedings. The accounting treatment and disclosures in relation to the legal proceedings are in line with the provisions of CGAS 19 *Provisions, Contingent Liabilities and Contingent Assets*.⁶
- 14.33** The expenditure related to the termination of the pre-contract agreements represent payments for which no value has been obtained and represents a substantial loss to taxpayers.

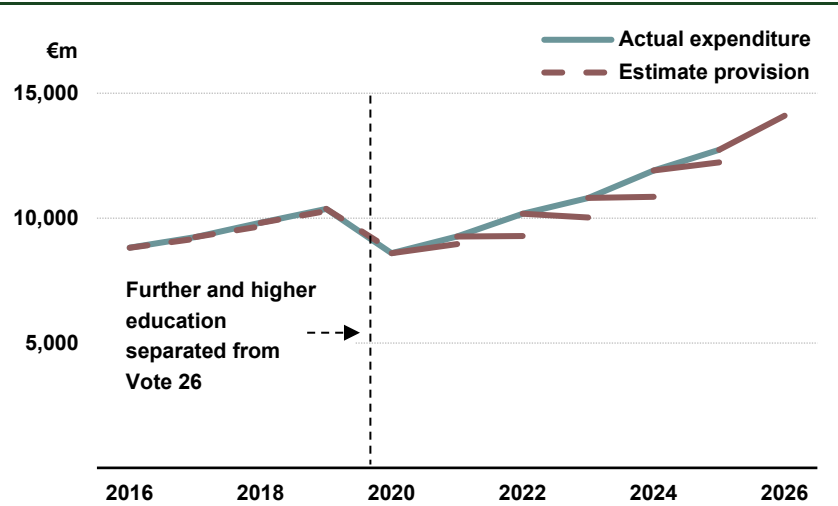
⁶ [CGAS 19 Provisions, Contingent Liabilities and Contingent Assets](#) (paragraph 109) states that an entity need not disclose the information required under the accounting standard in extremely rare cases, where disclosure of all of the information can be expected to prejudice seriously the position of the entity in a dispute with other parties.

15 Budget control for Vote 26 Education and Youth

15.1 The Department of Education and Youth (the Department) is responsible for the management of Vote 26 Education and Youth, which provides for expenditure on first, second and early-years education and youth services. The bulk of the expenditure each year is on payroll and pensions for serving and former school staff, grants for the construction and upkeep of schools, and on ancillary education services including school transport.

15.2 Gross current and capital expenditure under Vote 26 has increased steadily in recent years (see Figure 15.1). The aggregate increase in spending over six years from 2019 to 2025 was 54%, or around 7% a year.¹ The estimate allocated for 2026 provides for gross expenditure of €14.1 billion, which represents a further 10.7% increase on the 2025 outturn.²

Figure 15.1 Expenditure and amounts allocated, 2016 to 2026



Source: Revised estimates, 2016 to 2026 and appropriation accounts, 2016 to 2025

¹ The expenditure figures used for 2019 relate to programme A first, second and early-years education (€8.245 billion).

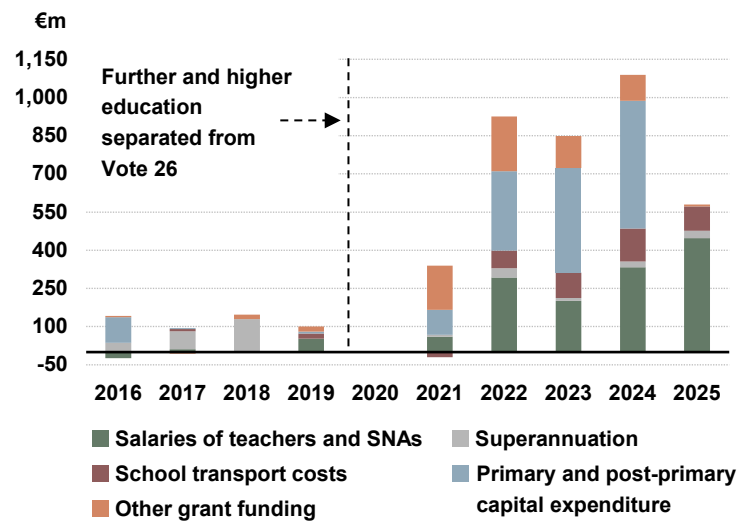
² The original Vote estimate published allocated €13.5 billion for 2026. A 'further revised estimate' for the Vote provided for an additional €646 million agreed in April 2026.

³ Revised Estimates Volume 2025.

15.3 Expenditure by the Department has consistently exceeded the amounts allocated by Dáil Éireann in the estimates for Vote 26 since 2021. This has led to a recurring need for substantial supplementary estimates (see Figure 15.2).

15.4 The estimate for Vote 26 published in December 2024 provided for gross expenditure in 2025 totalling €11.928 billion.³

15.5 In 2025, there were significant adjustments of ministerial and departmental functions following the formation of Government. As part of this reform, a 'further revised estimate' was prepared for Vote 26 Education and Youth. The amount allocated in the further revised estimate for Vote 26 provided for gross expenditure in 2025 of €12.232 billion i.e. an increased allocation of €304 million.

Figure 15.2 Supplementary estimates for Vote 26, 2016 to 2025^a

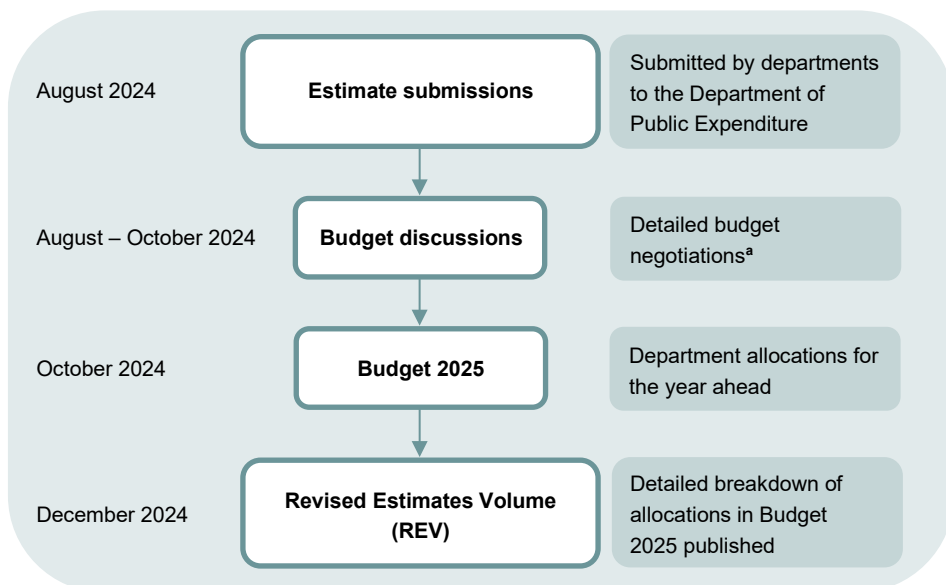
Source: Supplementary estimates, 2016 to 2025

Note: a Pre-2020 figures exclude further and higher education.

- 15.6** The appropriation account for the Vote records gross expenditure of €12.735 billion in 2025. This represents spending that was €503 million or 4% over the allocated sum and required a supplementary estimate provision.

Budget allocation process

- 15.7** Figure 15.3 summarises the timeline for the 2025 estimate process, culminating in the publication of the *Revised Estimates Volume*, setting out the proposed spending allocation for each vote for 2025.

Figure 15.3 Summary of the estimate process for Budget 2025

Source: Office of the Comptroller and Auditor General

Note: a The Department of Public Expenditure engages with individual departments throughout the year.

15.8 The annual vote estimates presented to Dáil Éireann for approval should reasonably represent the amount required to be spent on the services to be provided by the relevant department. The estimate is intended to serve also as a spending limit which should not be exceeded without further Dáil approval through a supplementary estimate.

15.9 Managing the delivery of public services within budgetary allocations approved by Dáil Éireann through the annual estimates process is a key responsibility of ministers, accounting officers and their departments.

15.10 The Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (Department of Public Expenditure) requires departments to submit current expenditure estimates outlining forecast costs to

- maintain services on an 'existing policies' basis, and
- what would be required to pay for any approved policy changes.

Departments are also asked to provide additional information in their estimates submissions, including proposed reforms and efficiencies to deliver services in the most cost-effective manner. Capital expenditure allocations are completed separately through negotiation of the multiannual National Development Plan (NDP).

15.11 The Department of Public Expenditure stated that it has the responsibility to engage and negotiate agreed allocations with departments to ensure the overall expenditure strategy adheres to the Government's agreed expenditure ceilings, while considering overall Government priorities. It pointed out that generally, the cumulative amount within initial budget submissions from departments substantially exceeds the agreed fiscal parameters.

Obligation to explain budget variances

15.12 The appropriation accounts for votes are designed to require reporting (in note 3) on how spending has turned out relative to the amount allocated for each planned category of spending. Significant spending overruns or underspends (i.e. +/- 5% or more) on individual programme subheads are individually explained.⁴

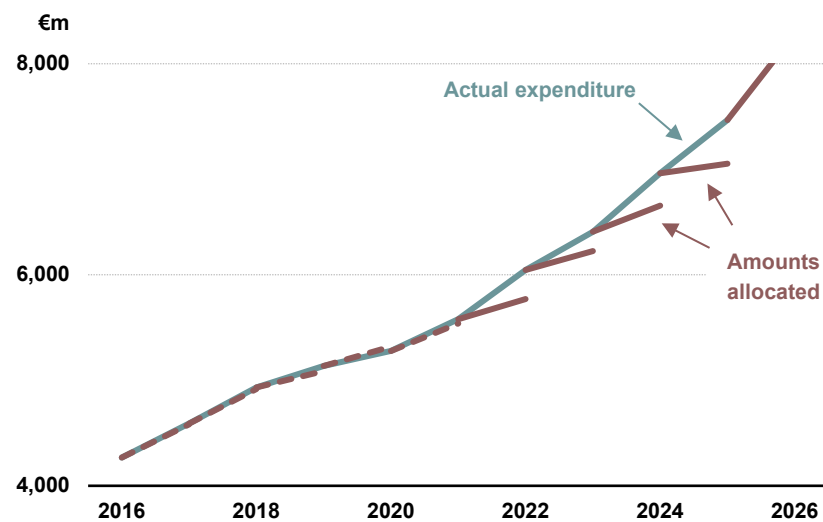
15.13 For Vote 26, the significant spending over allocation has mainly related to salaries of certain school personnel, and the costs of school transport and of capital projects.

Teaching and special needs assistant salaries

15.14 The salaries of teachers and special needs assistants (SNAs) represent around 59% of the Department's overall expenditure.

15.15 Expenditure on the salaries of teachers and SNAs was consistently higher than the amounts allocated each year from 2021 to 2025 (see Figure 15.4). While additional expenditure was incurred on all the teaching staff subheads, the additions were greatest for the subheads funding primary school teachers and SNAs.

⁴ This is the threshold for programme subheads. A higher explanation threshold (variance over 25%) applies to administrative subheads.

Figure 15.4 Salaries of teachers and special needs assistants: expenditure and amounts allocated, 2016 to 2026

Source: Revised estimates, 2016 to 2026 and appropriation accounts, 2016 to 2025. Expenditure subheads A.3, A.4, A.5 and A.6.

15.16 In explaining the additional funding requirements for salary-related expenditure in the appropriation accounts, the Department has referred to causes including

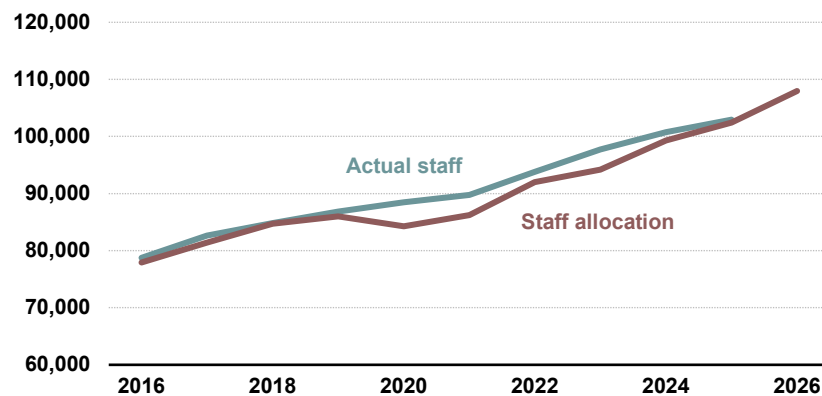
- underfunding of the Department's projected school payroll costs
- payroll costs being impacted by higher-than-projected school enrolment, including pupils from Ukraine with special education and additional language support needs (2025, 2024, 2023, 2022)
- higher-than-projected need for employment of SNAs in classrooms (2025, 2024)
- under-provision in the amounts allocated for the retrospective cost impacts of pay deals agreed after the estimate allocation process (2024, 2022).

15.17 The Department of Public Expenditure stated that the costs associated with public service pay agreements are determined using a longstanding, standardised and universal methodology which is applied across the public service and is calculated using full-time equivalent staff numbers by salary band provided by departments.

Staff number projections

15.18 The Department considers that, in its estimate submissions, it had accurately forecast the expenditure required to implement existing staffing policy, taking account of the number of pupils enrolled and staff employed in schools.

15.19 In presenting estimates to Dáil Éireann for approval, teacher and SNA staff number allocations are stated together with the related pay provision. Over the past six years, the actual number of teaching and SNA staff has consistently exceeded the levels allocated (see Figure 15.5). This was particularly pronounced in 2020, with a variance of 5% (4,206 posts) above the allocation. Since then, the gap has reduced, standing at 509 posts or 0.5% above the allocation for 2025.

Figure 15.5 Teacher and SNA numbers allocated and reported, 2016 to 2026

Source: Revised estimates, 2016 to 2026 and appropriation accounts, 2016 to 2025. Teaching and SNA numbers reported under subheads A.3, A.4, A.5 and A.6.

15.20 The Department explains that the variations between teacher and SNA numbers published in the estimates and subsequently reported for 2020 to 2024 were mainly due to

- additional posts filled to respond to Covid-19 and Ukraine-related demands being excluded from the allocation numbers (2020 to 2024)
- transfer of functions from the Department to the Department of Further and Higher Education, Research, Innovation and Science (2020)
- differences in the staffing projections prepared by the Department and by the Department of Public Expenditure (2023 and 2024).⁵

Independent review of allocation and payroll system

15.21 Because of the differences between the two Departments about teacher allocation and related budgeting, the Department commissioned an independent external review of the system. Key findings in the reviewer's report (completed in June 2025) included the following.

- The Department's teacher allocation system is a highly complex, labour-intensive exercise which attempts to operationalise a significant range of education policy initiatives while taking account of dynamics in the demographic profiles of students, the capacity of existing infrastructure and the need for new infrastructure, the spatial distribution of needs, and Government policy in relation to regional and local development.
- It became evident that in addition to the various 'drivers' for expenditure and teacher numbers that had been identified through previous examinations, there were several factors which seemed to influence the relative positions of the two Departments
 - a view that the increase in teacher numbers was based on a layering of incremental requests rather than a strategic policy-informed and evidence-based approach to the number of teachers needed in the system
 - a mismatch between expectations based on demographic projections and actual demand manifesting itself on the ground

⁵ Projections contained in 2021 *Spending Review: Teacher Allocations: Developing a model for Mainstream Teacher Projections*, Irish Government Economic and Evaluation Service (IGEES).

- a difference of views in relation to whether the provision of education services is demand led or budget led/constrained
- a possible difference in approach to the calculation of the teacher salary budget, and whether it should be 'top-down' (i.e. kept within the available budget) or 'bottom-up' (i.e. determined by the number of teachers deployed in line with existing policies and practice)
- creation/growth of 'other' categories of teacher deployment within schools
- the need to recognise the increasing complexity of education provision, in areas such as language supports, special needs, etc.

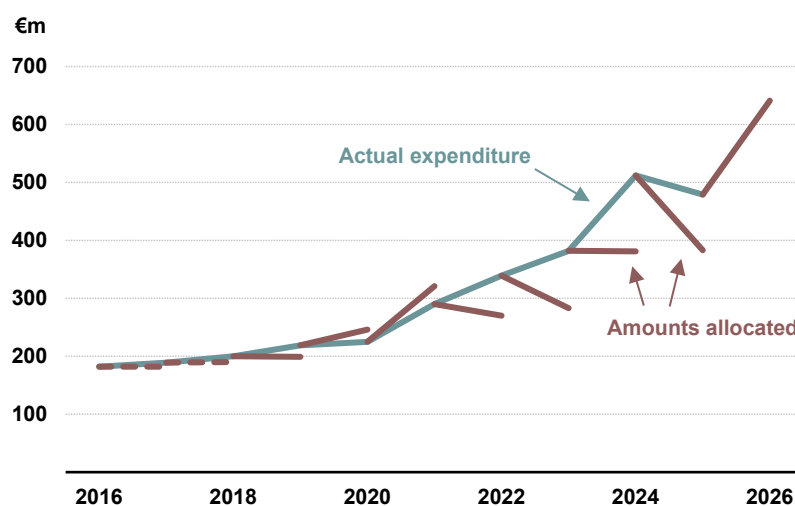
It was considered by the reviewer that some of these differences meant that the 'gap' between the Department and the Department of Public Expenditure has been compounded over recent years leading to a serious and growing funding shortfall situation.

15.22 The reviewer concluded that the budgeting situation is a shared problem and that there is a shared responsibility to try to resolve matters. This would require the recasting of the relationship between the two Departments, with open and regular communication. Suggestions for improvement in this regard included greater clarity on the part of the Department in relation to its strategies and priorities in education, and the provision of better information and evidence in support of its budgetary requests. It was also suggested that the Department of Public Expenditure critically review its engagement and approach to funding determination having regard to the actual demands being managed by the Department.

School transport

15.23 Expenditure on school transport has increased very rapidly in recent years, rising from around €225 million in 2020 to €512 million in 2024, before falling back to €479 million in 2025. The budget for 2026 is €640 million (see Figure 15.6).

Figure 15.6 School transport costs: amounts allocated and expenditure, 2016 to 2026



Source: Revised estimates, 2016 to 2026 and appropriation accounts, 2016 to 2025 (subhead A.9)

15.24 Expenditure has been significantly greater than the amounts allocated for at least four years. Excess expenditure of €96 million (+25%), €131 million (+35%), €99 million (+35%) and €69 million (+26%) occurred in 2025, 2024, 2023 and 2022 respectively.

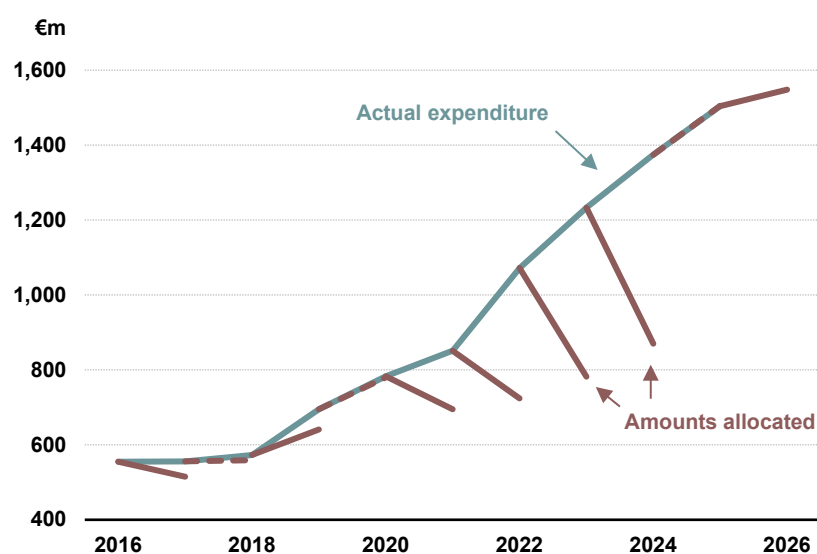
15.25 The Department explains the increase in expenditure relative to the amounts allocated for school transport costs was due to

- underfunding of estimated school transport costs which the Department views as primarily demand led once certain eligibility criteria for the school transport scheme are met
- increasing subsidisation of the scheme by Government in response to the cost-of-living crisis leading to higher uptake of the service
- increased contractor costs over those provided for in the amounts allocated
- more students than financially provided for being accommodated on school transport services, including Ukrainian students
- the increasing prevalence of special educational needs students requiring additional but also more bespoke, and, therefore, more expensive transport services.

Primary and post-primary capital expenditure

15.26 The divergence between the amounts allocated and the expenditure on primary and post-primary infrastructure costs increased significantly from 2021 to 2024 (see Figure 15.7). Expenditure over the original NDP allocations of €504 million (58%) and €451 million (58%) were incurred in 2024 and 2023, respectively. Expenditure on capital infrastructure was only slightly below the level provided in the 2025 estimate, which was adjusted upwards before the estimate was passed mid-year.⁶

Figure 15.7 Primary and post-primary capital infrastructure: amounts allocated and expenditure, 2016 to 2026^a



⁶ In May 2025, a 'further revised estimate' provided an additional €210 million for capital infrastructure (subhead A.15).

Source: Revised estimates, 2016 to 2026 and appropriation accounts, 2016 to 2025 (subhead A.15)

Note: a Capital expenditure is also reported in a number of other subheads — A.10, A.14 and A.16.

- 15.27** In the appropriation accounts for 2021 to 2024, the Department explained that the additional funding was provided in supplementary estimates due to “strong delivery on the school-building programme to keep the essential project pipeline moving forward, the need for accelerated delivery of accommodation for children with special educational needs and the impact of high construction inflation”.

Delegated sanction

- 15.28** A key element of the control of annual expenditure by departments is that they request and obtain the sanction of the Department of Public Expenditure prior to expenditure being committed to or incurred. In the interests of efficiency, the Department of Public Expenditure may authorise departments to undertake certain categories of spending within specified limits, subject to the departments' compliance with specific conditions. These arrangements are referred to as 'delegated sanction'.
- 15.29** On 9 May 2025, the Secretary General of the Department of Public Expenditure wrote to the Secretary General of the Department of Education and Youth to communicate the need to implement stronger expenditure controls in relation to Vote 26. The letter noted that this followed repeated requests by Department of Public Expenditure officials for the Department to submit a plan outlining how current and capital expenditure under Vote 26 could be put on a sustainable path.
- 15.30** The Secretary General of the Department of Public Expenditure outlined the following concerns regarding the Department's expenditure controls
- increasing divergence between the spends and the ceilings agreed by Government in recent years
 - the scale and trajectory of the supplementary estimates provided over the last four years (2021 to 2024) being no longer sustainable
 - the actual pupil-teacher ratio (22:1) in primary schools being below the Government policy ratio of 23:1, at a time when primary school enrolments are declining, while post-primary enrolment is expected to peak soon.
- 15.31** The Department of Public Expenditure imposed additional expenditure and other controls as follows.

Staffing expenditure controls

- Staffing sanction: the Department retains delegated staffing sanction for school principal posts, teaching posts and posts related to the provision of special needs education and supports. For other posts, Department of Public Expenditure sanction will be required.
- The Department was to provide a pay and numbers plan for 2025/2026, detailing workforce and recruitment activity broken down by category against the pay allocation.

Capital expenditure controls

- Capital projects: Department of Public Expenditure sanction will be required before any further capital projects with an anticipated total project cost in excess of €10 million proceed to tender.

- Capital commitments ceiling: forward commitment levels for capital expenditure as a percentage of the capital allocation to be reduced significantly, and any proposed commitments above specified limits require specific Department of Public Expenditure sanction.

Other controls

- Vote structure: the layout of Vote 26 will change to allow for visibility of capital and current investments in special education.
- The Department to set out revised governance and control processes to address compliance with expenditure ceilings including class size policy and approval of capital projects.

15.32 On 21 May 2025, the Secretary General of the Department responded requesting the Secretary General of the Department of Public Expenditure to reconsider the proposed removal of delegated sanction for hiring of other posts and the reduction in projected capital commitment levels for schools. She also outlined core areas of disagreement between the two Departments, including in respect of

- understanding of variation between what the annual budget for education can deliver versus the cost of upholding the constitutional and legal right to education
- under-provision of funding required to deliver existing services and policies agreed by Government in a demand-led sector
- remaining within budgets in previous years had resulted in failure to deliver adequately and in a timely manner for predicted demographic growth, special educational needs and essential maintenance
- longstanding Government policy in relation to class size, language supports, special education, application of teacher supply panels and leadership supports (which, to deliver within the proposed budget allocation, would have required service reduction that the Department states they had no authority to unilaterally change)
- remaining within allocations would not only have prevented the Department from delivering on commitments in the *Programme for Government*, but in the Department's view would have moved in the opposite direction, for example increasing the class size rather than reducing it
- fundamental differences regarding cost methodology used to inform the level of funding required to deliver existing services and agreed policies without relying on additional supplementary funding
- pupil-teacher ratio in primary schools, which stood at 12.8:1 and sought clarity on the 22:1 and 18:1 ratios noted by the Department of Public Expenditure.

15.33 In relation to the amendments to capital commitment ceilings, the Department has stated that the changes were notified after plans for existing multiannual capital commitments were already well progressed, based on previous, higher limits.

- 15.34** In June 2025, the Secretary General of the Department submitted plans to the Department of Public Expenditure to put current and capital expenditure on a more sustainable footing for the future. The submission included financial governance and control processes in place, detail on recent and ongoing reforms, and a number of options to address expenditure pressures. The Department recommended a particular option which involved an adjustment to baseline funding and a commitment to continue to reform.
- 15.35** In September and October 2025, the Department of Public Expenditure issued the delegated sanction letters for current and capital expenditure to the Department. The sanction letter for current expenditure reinforced the expenditure controls issued in May 2025 and stated the sanction was conditional on the Department providing a plan for managing current expenditure within the allocation provided.

Estimates provision for 2026

- 15.36** The revised estimate published in December 2025 for 2026 allocated €13.46 billion to Vote 26.
- 15.37** A review of the estimate process for Vote 26 commenced in February 2026 led by an independent senior government official who considered submissions from both Departments. This included the Department submitting possible options for reductions to existing services which would bring spending in line with the initial budget allocations.
- 15.38** In June 2026, additional funding of €646 million was allocated to Vote 26 for existing services and to provide enhanced supports across the education system.⁷ This comprises
- an additional €301 million for school payroll
 - an additional €115 million for school transport, and
 - post-budget decisions allocating an additional €230 million as follows
 - €150 million in current expenditure for additional school places
 - €40 million for school transport
 - €13 million for survivors of historical residential abuse and
 - €27 million to meet industrial relations costs.
- 15.39** The additional in-year funding was provided on the basis of compliance with certain oversight, monitoring and control measures including the establishment of an Education Budgetary Oversight Group.

Views of the Accounting Officer, Department of Education and Youth

- 15.40** Education policy is well established and grounded in Government decisions over many years. The policy is bound by and reflects children's constitutional and legal rights.

⁷ *Further Revised Estimates 2026* approved by Dáil Éireann on 17 June 2026.

- 15.41** Accurate and realistic allocations, reflecting the true cost of existing policy and existing level of services, are a crucial part of the budgeting process. Where cost savings are required, but involve a change to agreed policy, it must be acknowledged that officials cannot unilaterally change policy to live within a reduced allocation which itself is not based on robust analysis. The Department has completed extensive analysis, and costed policy changes that would be required to stay within the reduced allocation provided, but such changes have not been accepted.
- 15.42** This is because the scale of the structural underfunding in 2025 would have equated to approximately 4,500 (6%) fewer teachers and over 2,500 (10%) fewer SNAs in schools, and 66,000 (36%) fewer pupils on school transport services.
- 15.43** Forecasting data provided by the Department that reasonably represented the cost of delivering existing policy and level of services were not fully reflected in estimates allocations. The fact that Department forecasts proved retrospectively to be broadly accurate demonstrates the opportunity that exists for both Departments to work together to agree the formula and methodology to support accurate and effective budgeting.
- 15.44** As part of Budget negotiations, including for Budget 2025, the Department informed the Department of Public Expenditure that
- Based on the Department's forecasts, the level of funding being proposed and ultimately provided was not sufficient to implement agreed education policies.
 - Supplementary funding would be required in the absence of Government agreeing to make significant reductions in the level of educational services.
 - It was considered extremely unlikely that such policy changes would be achievable given existing *Programme for Government* commitments that sought to build on, not take from, existing policy; the highly negative impacts these would have on educational services; and pre-existing contractual commitments already in place with established public servant employees.

Views of the Secretary General, Department of Public Expenditure

- 15.45** The overarching parameters for the level of expenditure across all departments and agencies is agreed by Government. The Medium-Term Fiscal and Structural Plan has set out multiannual expenditure ceilings out to 2030.
- 15.46** Managing the delivery of public services within the agreed budgetary allocation as voted by Dáil Éireann is a key responsibility of each minister and their department.⁸
- 15.47** The Department of Public Expenditure and the Department of Education and Youth officials have and continue to openly engage on a regular basis.

⁸ *Public Financial Procedures B.1.2. (28) Monitoring and Control: Departments and Offices must monitor and manage their expenditure within the allocations approved by Dáil Éireann.*

Conclusions

- 15.48** The vote estimates presented to and approved by Dáil Éireann are expected to reasonably represent the amount to be spent under the vote and to serve as a spending limit which should not be exceeded without further Dáil approval.
- 15.49** Since 2021, the Department has required substantial supplementary estimates each year ranging from €320 million to €1.088 billion. These additional allocations represent substantial variances from the amounts originally approved by Dáil Éireann.
- 15.50** For 2025, the original published gross expenditure allocation was €11.928 billion. This was substantially less than the funding sought by the Department during the estimates preparation process.
- 15.51** During 2025, despite a further revised estimate which increased the original allocation by 2.5% or over €300 million, a supplementary estimate provision of €580 million was also provided: this was 4.7% over the original voted allocation. The supplementary allocation was mainly in the areas of schools payroll and school transport. Funding adjustments made in 2026 have provided significant additional allocations for schools payroll and school transport.
- 15.52** A substantial part of the required additional allocations is attributable to costs associated with special needs education. The proposed greater transparency about such costs in the Vote (and in the appropriation account) should facilitate better analysis of the cost drivers and better forecasting of expenditure.
- 15.53** While the education system is complex and subject to many dynamic elements, budgeting for it should be amenable to reasonably effective financial modelling. The Department and the Department of Public Expenditure should be able to agree on a common financial forecasting model, using assumptions that reflect the current facts of the education system and any agreed policy changes. This should also be capable of analysing the financial impacts of shocks to the system, such as the impact of the large influx of Ukrainian pupils in 2022 and 2023.
- 15.54** Effective shared analysis should remove methodological differences from the budget/estimates discussions, so that the debate can concentrate on what policy changes can be most effective and are affordable within the available budget, and what trade-offs may be needed between competing policy objectives.

16 Planning for emerging school demand

16.1 The Department of Education and Youth (the Department) is responsible for the planning and delivery of first and second-level educational infrastructure. The Department's planning and building unit (PBU) has responsibility for identifying school accommodation requirements, prioritising the allocation of resources and overseeing the delivery of the school capital programme.

16.2 The Department publishes national projections of school enrolment numbers. Its most recent publication (December 2025) noted that primary school enrolments peaked in the 2018/2019 school year at 567,772, with post-primary enrolments expected to peak in the 2025/2026 school year at 429,350 pupils.^{1,2} By 2030/2031, primary school enrolments are projected to drop to around 521,000, while post-primary enrolments are expected to drop to around 410,000.^{3,4}

16.3 Changes in primary and post-primary school enrolments are directly related to changes in the populations of the school catchments. Residential development and inward migration can create pressure on enrolment in certain areas, even as enrolments in other areas are declining. The December 2025 projections note that enrolment trends at the local level may not align with national trends.

16.4 The Department uses a Geographical Information System-based demographic projection model (GIS) to inform its planning for school provision.⁵ The GIS supports demographic analysis and the forecasting of future demand for school places. Decisions about school capital project identification, inclusion in the Department's capital infrastructure pipeline and project prioritisation are informed by a broader planning process. This process considers other factors, including information obtained directly from schools and the condition of existing accommodation.

16.5 School infrastructure represents a significant area of public expenditure. The Department's capital expenditure has increased significantly in recent years. Capital expenditure over the period 2021 to 2025 totalled over €6 billion.⁶ The National Development Plan (NDP) includes a €7.55 billion capital infrastructure allocation for the education sector for the years 2026 to 2030. This includes €1.6 billion for each of the years 2026 and 2027.

Focus of this examination

16.6 This examination was undertaken to assess whether the Department has an adequate system in place for forecasting school place requirements which informs the prioritisation of areas for primary and post-primary school provision to meet demand.

16.7 The examination team interviewed Department officials, reviewed relevant available information and carried out walkthroughs of key school planning processes. The team also tested a sample of six school planning areas (SPAs) to understand the operation of the GIS-based model and the associated school planning processes.⁷

¹ [National projections of full-time enrolment](#) (primary and post-primary level — 2025/2026 to 2044/2045). Generally, only schools that receive State funding are included in the projections. The previous set of projections was published in March 2024.

² The national projections assume recent trends in fertility and migration will continue. Projections are presented for three migration scenarios.

³ These projections are based on the scenario that the Department considers is the most likely outcome for the 2030/2031 enrolment year.

⁴ Primary school enrolments are projected to continue to drop until 2040/2041 while post-primary enrolments are projected to continue to drop to at least 2044/2045.

⁵ The GIS-based demographic projection model is generally referred to as the 'GIS' or the 'GIS-based model' throughout this report.

⁶ This refers to capital expenditure under subhead A.15 primary and post-primary infrastructure under Vote 26 Education and Youth.

⁷ School planning areas are designated geographical zones used by the Department to analyse demographic data and identify future pressures on school capacity within each area.

The Geographical Information System

16.8 To analyse demand and plan for school provision at a local level, the Department has divided the country into 314 SPAs. The Department's GIS-based model produces annual demographic enrolment projections for both primary and post-primary school demand within each SPA.^{8,9}

16.9 These projections are informed by the following inputs

- data from sources which include Central Statistics Office (CSO) census data, enrolment data from the Department's primary online database (POD) and post-primary online database (PPOD), and child benefit data provided by the Department of Social Protection (DSP)
- a number of assumptions which include projected fertility and mortality rates (based on CSO data), and repeat student rates and transfers between public and private schools (based on enrolment data).

16.10 The Department (through its PBU) supplements the GIS-based demographic enrolment projections with further local analysis, informed by data on existing school capacity, enrolment trends and local developments (see Figure 16.1).¹⁰ Figure 16.2 presents a high-level overview of the planning process for emerging school demand.

8 The GIS is run by the Department's statistics section.

9 The statistics section shares the GIS-produced demographic enrolment projections with the Department's PBU via Microsoft SharePoint. The PBU assumes responsibility for the information on transfer.

10 Further detail on each dataset is included in Annex 16A.

Figure 16.1 Data used to inform planning for emerging school demand

Data	Source	GIS-based model ^a	Local analysis ^a	Purpose
Census information	Central Statistics Office	✓	✓	Population projections Sense checking enrolment data Occupancy data
Child benefit information	Department of Social Protection	✓	✓	Estimation of future school place demand
Eircode address database (ECAD) ^b	Eircode	✓	✓ ^c	Geographic matching of child benefit records
Enrolment data	Department of Education and Youth (POD/PPOD)	✓	✓	Current and historical enrolments and transfer patterns
Capacity inventory	Department of Education and Youth	✗	✓	Assessment of available school places
School profile data	Schools (self-reported)	✗	✓	Information on school type, patronage and existing provision
School condition surveys	Department of Education and Youth	✗	✓	Assessment of accommodation condition where relevant
Housing completion ^d	Central Statistics Office	✗	✓	Historical residential completions
Housing construction	Local authorities/Central Statistics Office	✗	✓	Planned residential development

Source: Department of Education and Youth. Analysis by the Office of the Comptroller and Auditor General.

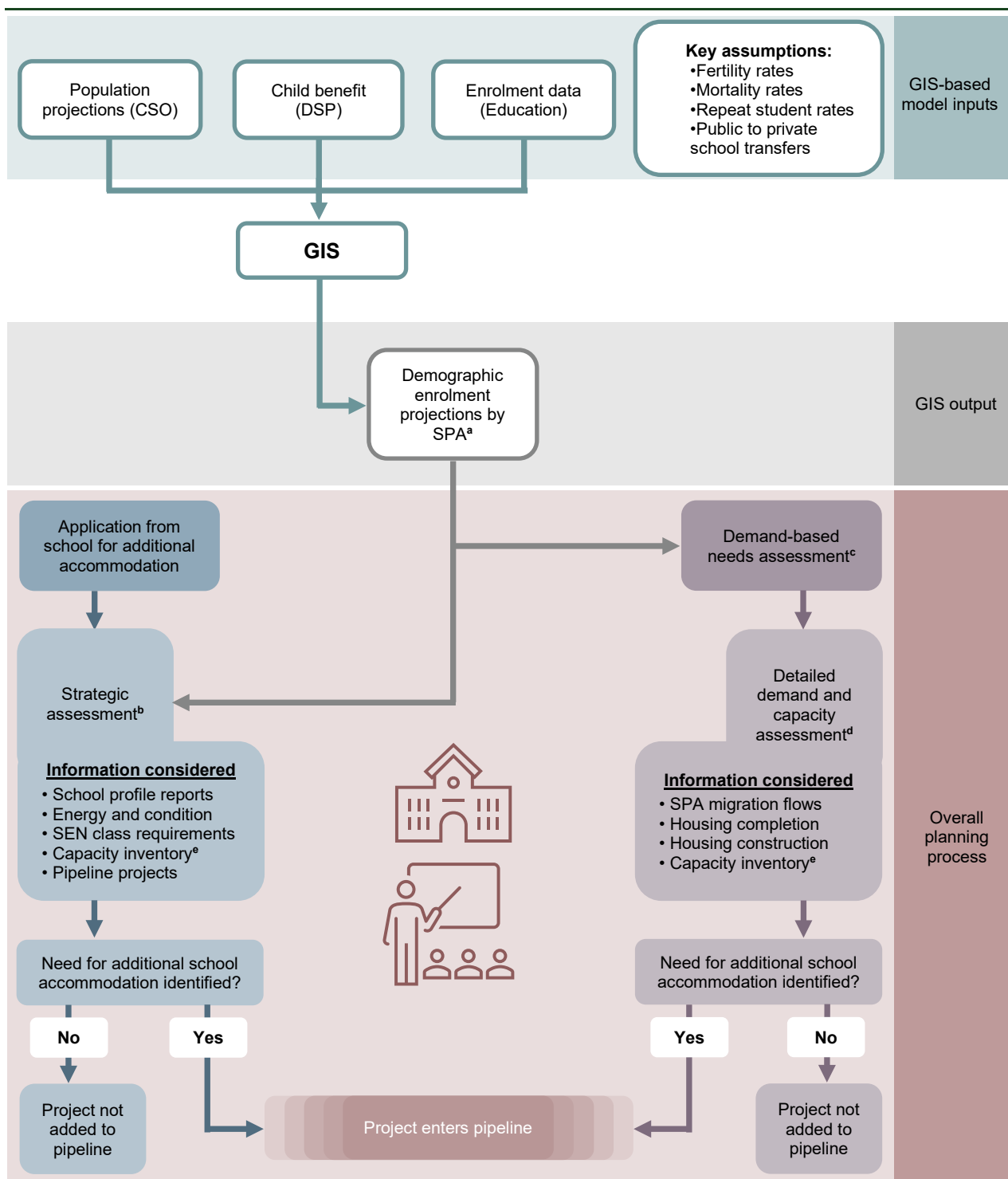
Notes: a The GIS-based model produces demographic demand projections only. These projections are then supplemented with local granular analysis to produce localised school needs' assessments.

b ECAD data is available [here](#). It includes the Eircode, postal address, geo-coordinates and alias address data.

c While the local analysis does not use ECAD data directly, the Department stated that it uses geographically matched records at a granular level.

d The Department also uses data from the Dublin Housing Supply Taskforce for housing completions in Dublin.

Figure 16.2 Overview of the planning process for emerging school demand



Source: Department of Education and Youth. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- The GIS-based model projections assume zero net migration i.e. no population movement between SPAs. Potential impacts of local population movements due to new residential developments are considered separately during the planning process.
 - The Department undertakes a strategic assessment following receipt of an application from a school for additional accommodation. This assessment considers the current demand (mainstream and special education needs (SEN)), available capacity and school condition.
 - The Department undertakes a demand-based needs assessment on the GIS-based demographic enrolment projections to identify areas of potential high growth which require further analysis.
 - The Department undertakes a detailed demand and capacity assessment for high-growth areas as indicated by the GIS-based model projections. This assessment considers the impacts of migration and housing, demand projections and capacity considerations.
 - This covers the capacity of existing schools.

Assessing the requirement for additional school accommodation

- 16.11** The requirement for additional school accommodation may be identified either from the demographic analysis undertaken by the Department or arising from applications submitted by schools.
- 16.12** Housing construction data is a key input into the Department's local demographic demand analysis. The Department obtains housing construction information from local authorities. The examination team found that no formal data-sharing arrangements are in place between the Department and local authorities for the provision of standardised housing-related information.¹¹ The examination team's review of housing reports for two local authorities (one report for each authority) found that the reports varied significantly in format, content and level of detail.

Transparency of departmental analysis

- 16.13** The Department prepares more granular (SPA-level, town-level and school-level) analyses as part of its strategic and detailed demand and capacity assessments to inform its planning for emerging school demand. The examination team reviewed a sample of six of these analyses.¹² While the analyses contained detailed demographic assessments and projections, the basis for key inputs was not consistently documented.
- 16.14** The examination team found that in some instances
- the source of the demographic projections was not clearly identified
 - the source of specific figures and assumptions was not referenced or explained
 - housing occupancy rates, participation rates and migration adjustments were not explained¹³
 - the basis for housing-related assumptions and targets was not documented, and
 - the phasing of projected housing impacts was not explained.

- 16.15** The examination team also identified variations in the assumptions applied in housing occupancy analysis. In some instances, assumptions appeared to be based on local housing occupancy data, while national housing occupancy averages were applied in other instances.¹⁴ The rationale for selecting particular assumptions was not consistently documented.

- 16.16** Consequently, it was not possible to determine whether the granular-level demographic projections had been prepared on a consistent basis or how key figures had been derived.

Documentation/recording of processes

- 16.17** The Department was unable to provide documented procedures and process documents underpinning the operation of the GIS-based model or the analytical methodologies used to inform school planning decisions to meet emerging demand. The examination team found that key aspects of these processes primarily rely on the knowledge and experience of a small number of staff.

¹¹ Formal data-sharing arrangements are in place for the provision of DSP (child benefit) data. CSO data used is publicly available.

¹² The examination team reviewed one SPA-level analysis, two town-level analyses and three school-level analyses.

¹³ Participation rates refer to the percentage of the eligible child population in a specific area that attend school.

¹⁴ The CSO national housing occupancy average, based on the [2022 census](#), is 2.74 persons per private household.

- 16.18** The Department was also unable to provide documented procedures demonstrating or recording how projects are prioritised within the school building programme.
- 16.19** The Department informed the examination team that school project assessments are based on qualitative assessment rather than scoring or weighting-based assessments. It stated that many factors may be considered when assessing projects. These include demographic need, accommodation requirements, existing school condition, project readiness, procurement constraints and budget availability. Department officials also stated that decisions are made on a case-by-case basis.

Pipeline of school building projects

- 16.20** As at end 2025, the Department had identified a total 'pipeline' of 1,209 school building projects. This included the extension and/or refurbishment of existing schools (1,042) and new school builds (167).^{15,16}
- 16.21** The Department's pipeline of school projects is maintained on the GIS and downloaded daily to an Excel-based spreadsheet, primarily for backup, analysis and audit trail purposes.¹⁷ Information maintained on each project includes: the current project stage, the year the project was approved for inclusion in the pipeline and brief information on the type of project.
- 16.22** Pipeline projects are listed, by default, in order of entry on the pipeline — they are not listed in priority order or by their current stage. At end May 2026, just one-fifth of the 1,209 projects were at the construction or final account stage (see Figure 16.3). The Department stated that this reflects the multiannual nature for the rollout of a large capital programme.

Figure 16.3 Status of pipeline projects, by stage, at end May 2026^a

Current stage	Number of school projects in pipeline		
	Primary	Post-primary	Total
Project brief ^b	15	9	24
Stage 1: preliminary design	235	128	363
Stage 2a: detailed design	99	86	185
Stage 2b: planning	218	121	339
Stage 3: tender	17	30	47
Stage 4: construction	150	50	200
Stage 5: final account	42	9	51
All stages	776	433	1,209

Source: Department of Education and Youth. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a This reflects the status, at end May 2026, of the 1,209 projects in the pipeline at end 2025. The status of some projects has changed since end 2025.
 - b This involves the preparation of a written brief (agreed with the school) setting out the Department's requirements for the project and the scope of works to be undertaken.

15 The refurbishment of existing schools can include the change of existing facilities to SEN classes or purpose-built rooms for STEM (i.e. science technology, engineering and mathematics) subjects.

16 See Annex 16B for summary of pipeline projects per county, by project type. The pipeline includes all approved projects, including those under construction.

17 Pipeline projects can be filtered and reordered once downloaded to Excel.

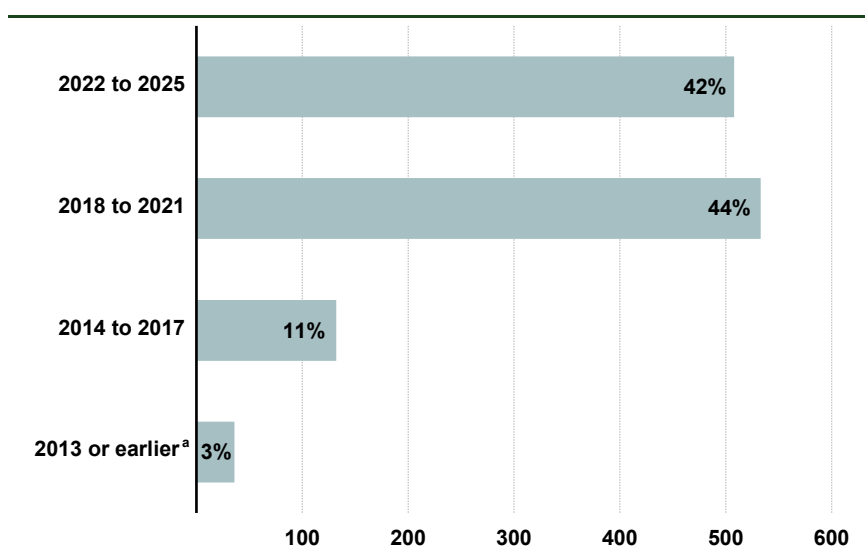
16.23 The Department has broadly split projects in the overall pipeline of projects into two categories

- **large scale projects** with expected expenditure > €1 million for the construction of new schools or the extension and/or refurbishment of existing schools
- **additional school accommodation** (ASA) projects, where an absolute need has been demonstrated, the need is immediate, and either the rental of temporary accommodation, the purchase of modular accommodation or construction of accommodation is the appropriate solution.

Aged analysis of project pipeline

16.24 Some 42% of the projects in the Department's project pipeline at end 2025 have been added since 2022, while 44% of projects were added between 2018 and 2021. The remaining 14% of projects were added in 2017 or before, with the earliest pipeline project dating back to 2006 (see Figure 16.4).

Figure 16.4 Aged analysis of project pipeline, as at end 2025



Source: Department of Education and Youth. Analysis by the Office of the Comptroller and Auditor General.

Note: a The oldest project in the pipeline dates back to 2006.

16.25 The Department stated that projects are formally reviewed when they move between stages and that PBU delivery teams monitor them on an ongoing basis. However, it noted that due to the number of projects in the pipeline, it is not currently feasible to undertake a formal exercise across every project.

Prioritisation of school building projects

16.26 In January 2026, the Department announced its first tranche of 105 school building projects under the NDP 2026 to 2030 rollout. These projects are intended to deliver almost 28,000 new and modernised school places in 22 counties, across 86 SPAs (see Figure 16.5). It is expected that these projects will progress to tender and/or construction over the period 2026 to 2027.

Figure 16.5 Breakdown of school places for the 105 projects prioritised for progression in 2026 and 2027

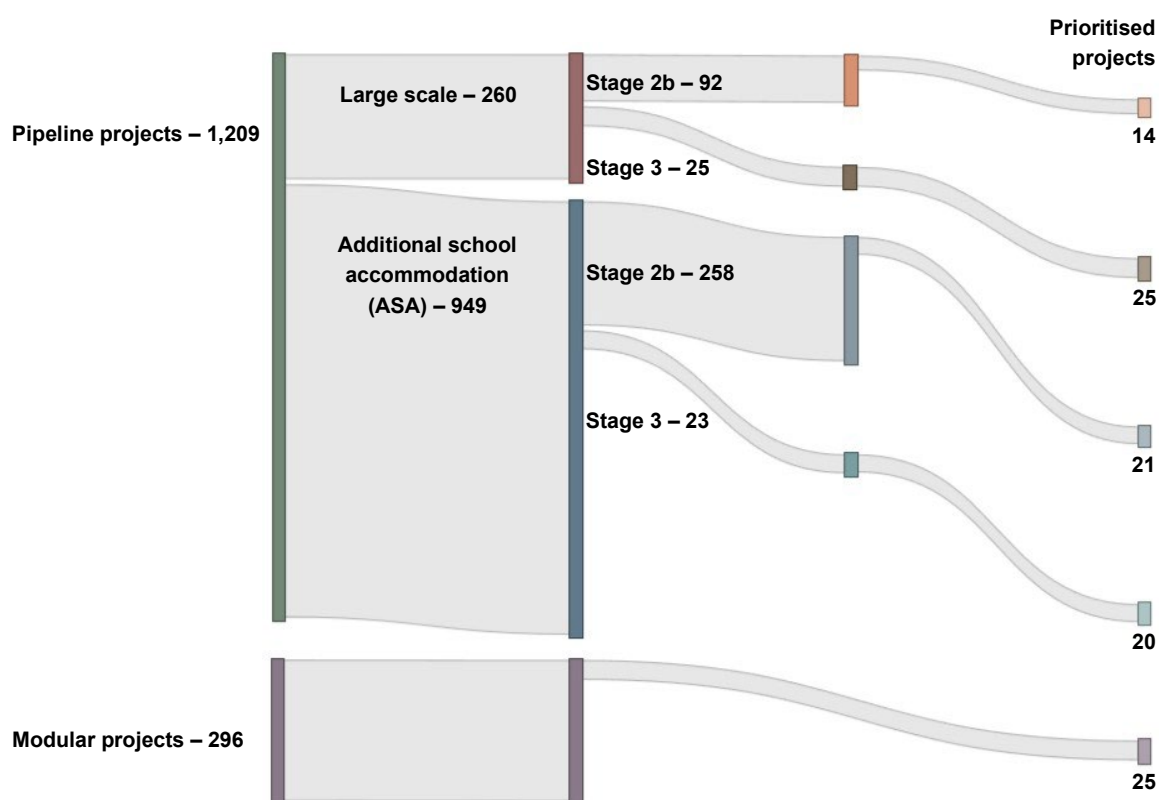
School place by type	Number of school places	Percentage of school places
New	9,973	36%
Modernised	15,317	55%
Special education needs (SEN) ^a	2,638	9%
Total	27,928	100%

Source: Department of Education and Youth. Analysis by the Office of the Comptroller and Auditor General.

Note: a The Department has confirmed that these are also new school places.

- 16.27** The Department stated that the 2026 tranche of prioritised projects included almost all pipeline projects at the tender stage (stage 3) and some projects at the planning stage (stage 2b). It noted that projects at the planning stage were subject to further prioritisation, with a particular focus on the 132 projects which already had planning permission. Of those projects with planning permission, 35 (27%) were included in the 2026 tranche of prioritised projects. This represented just 10% of the 350 stage 2b projects in the pipeline at end 2025.
- 16.28** In total, 39 large-scale projects and 41 ASA projects are included in the 2026 tranche of prioritised projects (see Figure 16.6).
- 16.29** Separately, from a discrete listing of 296 planned 'modular' projects, the Department selected 25 projects, for prioritisation, which the Department has approved for the delivery of urgently needed accommodation, in particular for SEN for the 2026/2027 school year.¹⁸ These projects are not included in the Department's overall pipeline of projects.
- 16.30** The Department stated that the prioritisation of projects considered a range of factors including school accommodation requirements, school conditions, SEN requirements, project readiness, procurement considerations and available budgets. It noted that these factors were considered through workshops, discussions and prioritisation meetings involving PBU staff. The Department also stated that detailed business cases were prepared for the 39 large-scale projects and for the ASAs with a projected cost of over €5 million each.

¹⁸ At the time of selection, around 40% of the planned modular projects were near completion or at the final account stage. Modular projects are largely constructed offsite.

Figure 16.6 Pipeline of projects/modular projects at end 2025 to 105 project prioritisation tranche^a

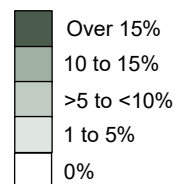
Source: Department of Education and Youth. Analysis by the Office of the Comptroller and Auditor General.

Note: a The 2026 tranche of prioritised projects was published in January 2026.

16.31 None of the planned school building projects in four counties (Cavan, Mayo, Sligo and Westmeath) have been prioritised for progression in the 2026 tranche. The combined pipeline and modular planned projects for these counties is 172 (or 11%).

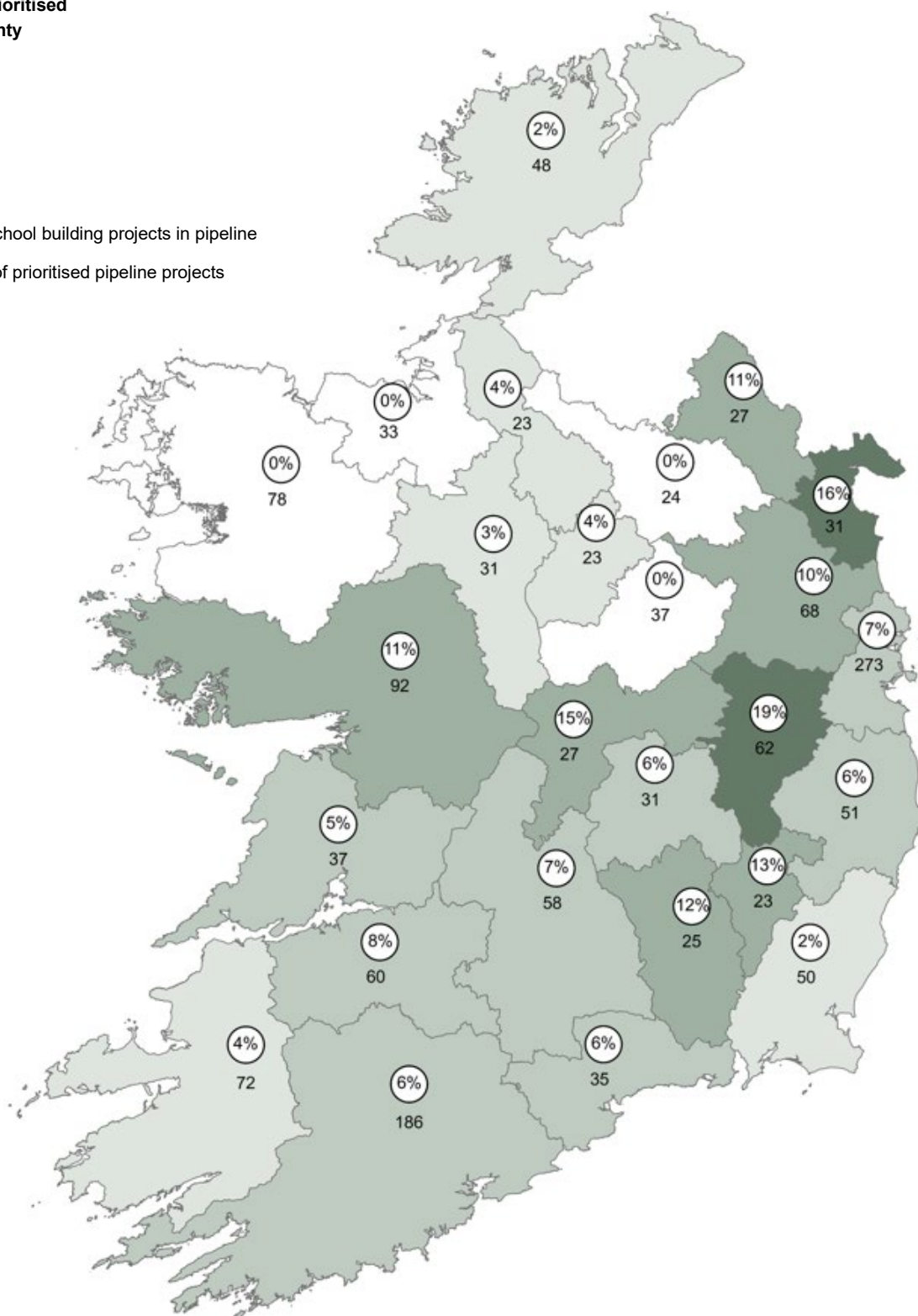
16.32 For the remaining counties, the percentage of projects that have been prioritised varies (see Figure 16.7). Louth and Kildare have the highest percentages of projects prioritised for progression, which may reflect a response to rapid growth in demand for school places related to broader population growth.

Figure 16.7 Distribution of planned school building projects and percentage prioritised, by county^{a,b}



Number of school building projects in pipeline

○ Percentage of prioritised pipeline projects



Source: Department of Education and Youth. Analysis by the Office of the Comptroller and Auditor General.

Notes: a The information reflects the distribution of the total projects (1,209 pipeline and 296 modular) at end 2025 and the 105 projects (by percentage) prioritised for progression under tranche 1 of the NDP 2026 to 2030 rollout published by the Department in January 2026.

b The population of projects includes projects at all stages, including those at the construction, near completion and final account stages.

Transparency of priority decisions

- 16.33** The Department provided the examination team with two summary documents setting out the rationale for 80 of the 105 projects included in the January 2026 tranche of school building projects. One document summarised the rationale for the 39 large-scale projects, while the other document summarised the rationale for the 41 ASA projects.¹⁹
- 16.34** These documents set out the need for the individual projects and generally included, where relevant, information on the following
- addressing urgent need — to meet current mainstream and SEN demand
 - replacement of inadequate facilities — buildings in poor condition or temporary accommodation
 - future-proofing capacity — capacity to be added/replaced by project
 - enhanced education provision — new specialist classrooms and modernisation of facilities
 - responding to growth — future housing targets.
- 16.35** In effect, the rationale presented in the documents makes the case for the individual projects that are selected for progression. The examination team found that the summary documents did not demonstrate how projects were comparatively assessed or selected from the overall pipeline of projects. Similarly, the examination team's review of prioritisation meeting minutes and related documentation found that they did not clearly demonstrate how competing priorities were assessed or balanced when selecting projects for progression.²⁰
- 16.36** The Department explained that
- special school and SEN class projects are prioritised over other school building projects
 - projects for schools operating in interim accommodation are also prioritised
 - remaining projects are considered on a case-by-case basis, taking account of factors such as demographic demand, school condition and available funding.
- 16.37** At the time of the examination, the Department had not formally documented the criteria to be applied in assessing and determining projects to be prioritised. Consequently, it was not possible for the examination team to independently verify the basis by which projects were selected from the overall project pipeline for progression.
- 16.38** The Department stated that the recently established Capacity and Pipeline Management Group is considering how comparative assessments could be more formally documented.²¹

¹⁹ The rationale supporting the 25 modular projects was not provided to the examination team.

²⁰ The examination team reviewed the minutes for nine meetings covering the period 7 August 2025 to 12 February 2026.

²¹ The Capacity and Pipeline Management Group was established in March 2026.

School planning area (SPA) level assessments of demand

16.39 The examination team reviewed a sample of six SPAs (three urban and three rural areas) to assess how the Department's demographic enrolment projections inform planning for emerging school demand decisions (see Figure 16.8).²²

16.40 At end 2025, a total of 19 projects were included in the project pipeline for the sampled SPAs. Of these

- seven are already under construction (stage 4) or at final account stage (stage 5)
- two are at the tender stage (stage 3) and have been included in the 2026 tranche of prioritised projects
- three are at the planning stage (stage 2b), albeit none of these have been included in the 2026 tranche of prioritised projects
- four are at the detailed design stage (stage 2a), two of which have been in the pipeline since 2015
- three are at the project brief stage (stage 1), one of which has been in the pipeline since 2018.

16.41 The examination team reviewed the analysis prepared by the Department's PBU for each of the sampled SPAs (see Figure 16.9).

²² The examination team reviewed projects from the overall pipeline for the sampled SPAs. This review did not include modular projects.

Figure 16.8 Sample SPAs examined and associated pipeline school project information

SPA name	Sample area	Prioritised Y, N, or n/a	Education level	Number of pipeline projects	Project type	Year entered pipeline	Current stage ^{a,b}
Carpenterstown	Urban	N	Primary	1	Extension and/or refurbishment	2018	1
		n/a	Post- primary	2 ^c	Extension and/or refurbishment	2023	4
		N			Extension	2023	1
Rathkeale	Rural	N	Primary	2	Extension	2019	2b
		N			Extension	2022	2b
		N	Post- primary	—	—	—	—
Newcastle Rathcoole	Urban	Y ^a	Primary	4 ^c	New school building ^{c,d}	2015	3
		n/a			Extension and/or refurbishment ^c	2025	5
		n/a			New school building	2018	4
		N			New school building	2018	2b
		n/a	Post- primary	2	New school building	2018	4
		n/a			New school building	2013	4
Killenale	Rural	N	Primary	2 ^c	Extension and/or refurbishment	2024	2a
		n/a			Extension and/or refurbishment	2025	5
		Y ^d	Post- primary	1	Extension ^d	2019	3
Celbridge	Urban	n/a	Primary	2	Extension and/or refurbishment	2024	5
		N			New school building	2015	2a
		N	Post- primary	2	Extension	2024	1
		N			New school building	2015	2a
Bawnboy	Rural	N	Primary	1	Extension	2020	2a
		N	Post- primary	—	—	—	—

Source: Department of Education and Youth. Analysis by the Office of the Comptroller and Auditor General.

Notes: a This reflects the stage of each project as at May 2026.

b Projects at stages 4 and 5 are already under construction or at final account stage.

c Two projects relate to one school.

d One project in this SPA was included in the tranche of prioritised projects announced in January 2026.

Figure 16.9 Sample summary table of SPAs reviewed by the examination team

SPA	Education level	GIS — zero migration projection peak ^a		Adjusted demand projection peak ^b		Projected planned capacity ^c		Current enrolment ^d Current capacity ^e		Local factors considered in analysis		
		No. of pupils	Year	No. of pupils	Year	No. of pupils	By year			SPA migration flow	Housing construction	Housing completion
Carpenterstown	Primary	2,069	2024	2,277	2026	2,135	2029	2,187	2,111	✓	✓	✓
	Post-primary	1,581	2029	1,838	2031	2,500	2030	2,345	2,200	●	✓	✓
Rathkeale	Primary	992	2024	996	2025	951	2029	844	920	●	◆	✓
	Post-primary	703	2030	763	2030	550	2030	537	550	▲	✓	✓
Newcastle Rathcoole	Primary	2,941	2024	3,568	2028	3,604	2029	3,273	3,189	✓	✓	▲
	Post-primary	2,241	2029	2,739	2032	2,300	2028	1,756	1,756	●	✓	▲
Killenaule	Primary	321	2027	330	2027	461	2030	307	461	●	◆	✓
	Post-primary	285	2024	320	2030	350	2030	360	388	▲	◆	✓
Celbridge	Primary	3,121	2024	3,091	2025	3,137	2029	3,000	2,929	●	✓	✓
	Post-primary	2,449	2024	2,612	2032	2,730	2030	2,438	2,444	●	✓	✓
Bawnboy	Primary	426	2025	431	2025	478	2030	424	455	✓	◆	▲
	Post-primary	321	2029	342	2032	N/A	N/A	310	400	✓	◆	▲

✓ Consistent approach observed ▲ Variation in approach observed ◆ Source data not identified ● Not applied

Source: Department of Education and Youth. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a The GIS-produced peak enrolment numbers are based on enrolments in the 2024/2025 academic year and do not take account of local factors in each SPA.
 - b The Department's projections take account of local factors i.e. inward/outward flows of pupils between SPAs, housing projections, etc.
 - c The Department's projected planned capacity is based on the projected number of mainstream and SEN classrooms multiplied by the relevant pupil-teacher ratio.
 - d Reflects the Department's published enrolment numbers for the 2025/2026 academic year.
 - e The Department's current capacity is based on the actual number of mainstream and SEN classrooms multiplied by the relevant pupil-teacher ratio.

- 16.42** The sampled areas have differing levels of projected demographic enrolment growth. The GIS-produced demographic enrolment projections indicate growth at post-primary level for four of the sampled SPAs (Carpenterstown, Rathkeale, Newcastle Rathcoole and Bawnboy), with no projected growth at primary level. For the remaining two SPAs (Killenaule and Celbridge), the GIS-produced demographic projections indicate minimal or no growth.
- 16.43** However, when local adjustments are factored in, the adjusted projections indicate growth at post-primary level for all six SPAs and also indicate growth at primary level for two of the SPAs (Carpenterstown and Newcastle Rathcoole).²³
- 16.44** The examination team found that the underlying GIS demographic projections were produced using a consistent methodology. However, it noted some variation in the application of local adjustments for SPA migration flow and housing completion information. In particular, the examination team noted that SPA migration flow was not applied on a consistent basis.
- In one SPA (Celbridge) migration flow was not applied at all.
 - In four of the SPAs (Carpenterstown, Rathkeale, Newcastle Rathcoole and Killenaule), migration flow was only applied for either the primary or the post-primary level analysis. In two of these instances (Rathkeale and Killenaule), a variation in approach was noted, whereby there was no evidence supporting the flows used, and growth was applied to a specific year only. In other analyses reviewed, the migration flows were supported by the inflows to and outflows from the SPA, and growth was applied annually for the years covered by the projections.
- 16.45** The examination team found that different calculation methods were used in two SPAs (Newcastle Rathcoole and Bawnboy) for average annual housing completions. However, no documented rationale for the variation was available, and the supporting analysis did not explain the differing approach.
- 16.46** Separately, the source of the housing construction figures was not included in the local analysis for two SPAs (Killenaule and Bawnboy) and was only partially included in another SPA (Rathkeale).
- 16.47** The application of local adjustments results in amended enrolment demand projections. Consequently, inconsistencies in their application may ultimately impact the Department's decision to prioritise (or not) projects in the sampled areas.
- 16.48** The Department stated that migration flow is considered for every analysis, but that for some SPAs where the flow is low, for example <3%, it is discounted as it does not impact the overall school needs' assessments. It also stated that where migration flow is relevant, it is applied across all years under consideration. Regarding the housing construction activity, the Department stated that it obtains this data from many sources and that all calculations are informed and data-based.

²³ The adjusted projections also indicate a further marginal growth at primary level in Killenaule.

- 16.49** The examination team also noted that current enrolments in one SPA (Carpenterstown) at both primary and post-primary level exceeded the Department's calculated current capacity, while in another two SPAs (Newcastle Rathcoole and Celbridge), primary-level enrolments exceeded current capacity. This may indicate an element of overcrowding.
- 16.50** The Department stated that the post-primary school population in the Carpenterstown area is significantly less than the post-primary school capacity and that a large number of pupils travel into the area to attend school. It stated that this is being addressed by increasing the school capacity in the areas where the pupils live. It also stated that primary school capacity is based on an average class size of 23 (or 19 for DEIS UB1).^{24,25}
- 16.51** The Department further stated that the management of a school's enrolment and admission arrangements, including the determination of the number of students that can be accommodated, is a matter for each school's governing body having regard to the accommodation available, health and safety requirements, staffing resources and the school's admissions policy.

Newcastle Rathcoole SPA — primary school new school building

- 16.52** The prioritised project in the Newcastle Rathcoole SPA has been in the pipeline since 2015. The Department informed the examination team that analysis carried out in 2017 was used to inform the decision to progress this project. The Department has calculated the SPA's current capacity of 3,189 at primary level to be lower than its current primary enrolment numbers of 3,273, potentially indicating some overcrowding.
- 16.53** The projected primary school planned capacity of 3,604 by 2029 includes three school building projects — the prioritised project, another project (new school building) already under construction (stage 4) and a further new primary school project. The latter project, although at the planning stage (stage 2b), was not included in the Department's 2026 tranche of prioritised projects.
- 16.54** The Department noted that the project was considered during the prioritisation discussions (as it was a stage 2b project). However, no detailed rationale setting out why it was not prioritised was provided to the examination team. The Department has stated that the project received planning permission in May 2025 and will be considered for future NDP tranches.

Killenaule SPA — post-primary school extension

- 16.55** The extension of a post-primary school in Killenaule is included in the Department's 2026 tranche of prioritised projects. The project is at the tender stage (stage 3). The examination team found there was no recorded source for the housing figures used in the Department's local demographic analysis for this school. A variation in the application of the SPA migration flow was also noted. The local analysis resulted in an adjusted projected peak demand of 320 pupil enrolments by 2030 compared with a projected peak demand of 285 in 2024 using the GIS projections.

²⁴ Circular 0011/2025 *Staffing arrangements in Primary Schools for the 2025/2026 school year* sets out that the average pupil-teacher ratio in mainstream schools is 23:1.

²⁵ In *Delivering Equality of Opportunity in Schools* (DEIS) Urban Band 1 (UB1), the average pupil-teacher ratio reduces to 17:1, 19:1 and 21:1 for junior, vertical and senior schools respectively. Vertical schools cover junior infants to sixth class.

- 16.56** The Department's calculated current capacity for this school is 388 with current enrolment numbers of 360 based on the Department's published enrolment returns for the 2025/2026 academic year. However, the Department has projected the planned capacity for this school at 350 by 2030 following completion of the extension project. This represents a reduction of 10% on the existing school's capacity.
- 16.57** The Department stated that the existing capacity of 388 reflects historic enrolment and that the current project will replace old prefabricated accommodation and provide for SEN classes. It stated that the revised capacity will be sufficient to meet local demand. It also stated that not all school projects involve the provision of additional capacity, and that some projects involve refurbishment of existing or replacement of substandard accommodation.

Conclusions and recommendations

- 16.58** In December 2025, the Department of Education and Youth (the Department) published its latest national projections for school enrolment numbers. By 2030/2031, primary school enrolments are projected to drop by around 8% from a peak in 2018/2019; and post-primary enrolments are projected to drop around 5% from an expected peak for 2025/2026. It is also projected that primary school enrolments will continue to drop until 2040/2041 and that post-primary enrolments will continue to drop until at least 2044/2045. However, the Department's projections note that local enrolments may not align with national trends, particularly in areas of residential development and inward migration.
- 16.59** The Department uses a Geographical Information System-based demographic projection (GIS-based) model for forecasting demographic enrolment projections. To analyse demand and plan for school provision at a local level, the Department has divided the country into 314 school planning areas (SPAs). The GIS-based model produces annual demographic projections for both primary and post-primary school demand within each SPA.
- 16.60** The GIS demographic projections are informed by a number of data sources which include population projection data, census data, child benefit data and Department-own data. This data is combined with certain assumptions which encompass projected fertility and mortality rates, repeat student rates and transfers between public and private schools.
- 16.61** The demographic projections are a key component in the Department's overall planning for emerging school demand. However, decisions regarding school project identification, inclusion in the Department's capital infrastructure pipeline and prioritisation are informed by a broader planning process. This process considers other factors, including information obtained directly from schools, the condition of existing accommodation and local developments.
- 16.62** Formal data-sharing agreements are not in place for all data sources used by the Department in its school planning process. In particular, information received from local authorities on housing developments is not provided on a formalised basis. The examination team's review of a sample of housing reports found that the information varied significantly. The absence of formal arrangements limits assurance over the completeness, consistency and timeliness of housing information used by the Department in its local demand analysis.

Recommendation 16.1

The Department should strengthen the governance arrangements for the data used in its school planning and demographic analysis process. This should include establishing formal arrangements, where appropriate, with key external data providers and documenting the minimum information requirements to support planning decisions.

Accounting Officer's response

Agreed.

The Department would welcome a formal arrangement whereby all local authorities would routinely provide relevant data on new residential housing development in a standardised and consistent format. The Department will continue its work on strengthening current arrangements through its engagement with the Department of Housing, Local Government and Heritage (Department of Housing) and the local authorities. The Department of Housing has recently developed a Housing Information Hub (HIH) — a central repository for housing activity data. Scope to use the HIH as a mechanism to support data-sharing arrangements will be examined for both local authorities and other key stakeholders such as the Land Development Agency (LDA), etc.

The Department will also document the minimum information requirements for key datasets used in the school planning process, including housing development data. It will also review existing governance arrangements to ensure that data quality, validation processes and update frequencies are appropriately defined and monitored.

The Department's representation on the National Housing Activation Delivery Group, together with ongoing engagement with the Housing Activation Team, local authorities, the LDA and other key stakeholders, will support the implementation of these measures.

Timeline for implementation

December 2027

Documentation of processes

- 16.63** Notwithstanding the key role played by the Department's GIS-based model in supporting its assessment of future demand for school places, documentation underpinning the operation of the model is lacking. The Department was unable to provide documented procedures and process documents for the GIS-based model or the analytical methodologies used to inform school planning decisions.
- 16.64** Key aspects of the processes primarily rely on the knowledge and experience of a small cohort of staff. This heightens the risk of the loss of corporate knowledge where staff leave the Department.

Recommendation 16.2

The Department should document the operation of the GIS-based model and associated analytical processes. This should include the methodologies involved; key data sources and assumptions; roles and responsibilities; data quality, validation, review and assurance arrangements; and the arrangements to support knowledge transfer and business continuity.

Accounting Officer's response

Agreed.

Work on this has already commenced. The school planning model which is supported by the Department's GIS has recently been significantly enhanced and it is timely to reflect this in relevant documentation and to formalise the associated procedures and processes for the benefit of all staff.

Timeline for implementation

June 2027

Transparency of departmental analysis

- 16.65** The Department undertakes detailed analysis to inform decisions on planning for future school demand at a local level. However, the examination team's review of a sample of analyses for six SPAs found that the basis for key inputs was not consistently documented within the analyses.
- 16.66** Data sources underpinning projections were not clearly referenced in all instances and assumptions regarding housing developments, housing occupancy and school participation rates were not always evidenced or explained.
- 16.67** An inconsistent approach in the application of assumptions regarding housing occupancy data was also identified. In some instances, assumptions were based on local housing occupancy rates, while in others, national housing occupancy average rates were used. In the absence of documented methodologies, it was not clear to the examination team why different approaches might be adopted in the application of assumptions. Consequently, it was not possible to determine how different approaches might impact the decision-making process.

Recommendation 16.3

The Department should establish standard frameworks for key aspects of demographic analysis and capacity assessments to ensure consistent decision-making and project prioritisation. Where departures from these methodologies occur, the rationale should be clearly documented.

Accounting Officer's response

Agreed.

Much of the focus in recent years has been on developing the GIS and the demographic model, and on enhancing the central inventory of data on school capacity. The recently developed 'school profile' reports provide data in a standardised format and are being rolled out to relevant teams within the Department's planning and building unit (PBU) in tandem with updated decision-making frameworks. This work is being overseen by the PBU's Capacity and Pipeline Management Group as part of its ongoing programme to enhance school planning processes and will deliver fully on this recommendation.

Timeline for implementation

March 2027

Pipeline of school building projects

- 16.68** By end 2025, the Department had identified a total pipeline of 1,209 school building projects. Separately, a further 296 projects had been selected for delivery using modular construction methods. The process underpinning the selection of the latter projects for this specific delivery model is less clear.
- 16.69** Around 86% of the pipeline projects are for the extension and refurbishment of existing schools, while the balance are for new builds (14%). Pipeline projects are listed, by default, in order of entry on the pipeline, rather than priority order or their current stage. At the time of the examination fieldwork, just one-fifth of pipeline projects were in construction or at final account stage.
- 16.70** Some 42% of projects were added to the pipeline over the period 2022 to 2025, while a further 44% were added between 2018 and 2021. The oldest project in the pipeline dates back to 2006. The Department has indicated that projects are formally reviewed when they move stage and are monitored on an ongoing basis. However, it also noted that due to the number of projects in the pipeline, it is not feasible to undertake a formal review across every project. In the absence of regular formal reviews of the total project pipeline, there is a risk that some projects may no longer be required or may have been superseded by subsequent projects.

Recommendation 16.4

The Department should undertake a periodic formal review of projects in the pipeline to confirm the ongoing need for each project, with a particular focus on projects that have been in the pipeline for a significant period and/or have not progressed between stages within a reasonable timeframe. This review should be signed off at an appropriate level. Where it is considered that a project is no longer required, the project should be removed from the pipeline and the rationale for its removal documented for audit trail purposes.

Accounting Officer's response

Agreed.

This work forms part of the remit of the PBU's Capacity and Pipeline Management Group, which is supporting a more systematic approach to project prioritisation, pipeline management and oversight of project progression. These arrangements will complement the existing stage gate review process, which is aligned with the Capital Works Management Framework and Infrastructure Guidelines and provides for ongoing assessment of project need, scope, priority and readiness to proceed.

The outcomes of these reviews will be documented and subject to appropriate management oversight and sign off. Where a review identifies that the circumstances, scope, priority or delivery approach for a project have changed, this will be considered through the Department's established project governance and approval processes, and the rationale for any decisions taken will be appropriately recorded.

In practice, it is anticipated that projects are more likely to be re-scoped, re-prioritised or have their delivery arrangements adjusted to reflect evolving requirements and available resources, rather than being discontinued altogether.

Timeline for implementation

June 2027

Prioritisation of school building projects

- 16.71** In January 2026, the Department announced a tranche of 105 prioritised school building projects — 80 pipeline and 25 modular projects — intended to deliver almost 28,000 new and modernised school places in 22 counties, across 86 SPAs. The Department informed the examination team that the priority tranche included almost all of the pipeline projects already at the tender stage and some projects at the planning stage. It expects that the 105 projects will progress to tender and/or construction during 2026 and 2027.
- 16.72** The Department provided summary documentation setting out the rationale for three-quarters (80) of the prioritised projects. In general, the documentation set out whether the project was required due to one or more of the following — addressing an urgent need, replacement of inadequate facilities, future-proofing capacity, enhanced education provision and responding to growth. However, the documentation did not demonstrate how projects were comparatively assessed or selected from the overall project pipeline.
- 16.73** Also, the examination team's review of prioritisation meeting minutes and related documentation found that they did not clearly demonstrate how, or why, the selected projects were prioritised relative to other competing projects. Consequently, it was not possible to determine why particular projects are progressed ahead of others with similar characteristics.
- 16.74** The Department explained that many factors influence the prioritisation of projects. Key among these is the prioritisation of projects for special schools and special education needs, and projects operating in interim accommodation. Other projects are considered on a case-by-case basis and have regard to demographic demand, school condition and available funding.

Recommendation 16.5

The Department should retain evidence of the comparative assessments undertaken when prioritising projects. This should clearly document the basis by which projects are selected to progress ahead of similar competing projects.

Accounting Officer's response

Agreed.

The approach to documenting project prioritisation will be further developed and formalised for the next tranche of projects progressing under the NDP implementation plan. This work commenced earlier this year and is being managed and overseen by the PBU's Capacity and Pipeline Management Group.

The Department set out its overall approach for NDP rollout in its NDP sectoral investment plan 2026 to 2030 published in January 2026. This included the identification of priorities, for example, special schools, new builds for schools with no permanent accommodation, existing schools with significant demographic requirements or condition issues, etc. To strengthen communications on the NDP rollout, the Department published, for the first time, the initial tranche of prioritised projects for rollout over the course of 2026 and 2027.

Preparatory work and stakeholder engagement is currently underway for the next tranche of the NDP rollout. This next tranche will build on the foundation work done for the initial tranche and will also include enhanced documentation of the comparative assessments, assumptions and decision-making considerations used to prioritise projects.

Timeline for implementation

March 2027

Annex 16A Summary of key data sources used in GIS-based model and planning analysis

Data	Source	Used in	Description	Notes
Census of population	Central Statistics Office	GIS-based model	Provides the population baseline for demographic projections	Updated following each census
DSP child benefit	Department of Social Protection	GIS-based model/planning (granular analysis)	Used to estimate future school demand	Child benefit records are matched to the Eircode address database (ECAD) using 'fuzzy' matching techniques due to data not containing Personal Public Services Numbers (PPSNs) ^a
Eircode address database (ECAD)	Eircode	GIS-based model/planning (granular analysis)	Geographic address database used during matching of child benefit data	Supports allocation of records to school planning areas (SPAs)
Primary online database (POD)	Department of Education and Youth	GIS-based model/planning (granular analysis)	Primary school enrolment database	Administrative dataset maintained by the Department
Post-primary online database (PPOD)	Department of Education and Youth	GIS-based model/planning (granular analysis)	Post-primary school enrolment database	Administrative dataset maintained by the Department
Capacity inventory	Department of Education and Youth	Planning (granular analysis)	Existing school accommodation	Capacity calculations are undertaken separately from demographic modelling
School profile information	Schools	Planning (granular analysis)	School characteristics including patronage, and self-reported capacity and accommodation profiles	Considered where relevant to planning for school demand decisions
School condition information	Department of Education and Youth	Planning (granular analysis)	Building condition and accommodation requirements	Considered on a project-by-project basis
Housing	Central Statistics Office; Dublin Housing Supply Taskforce; and local authorities	Planning (granular analysis)	Current housing completions and planned developments	CSO data nationally; Dublin Housing Supply Taskforce data for Dublin; future growth informed through engagement with local authorities
Population and planning assumptions	Central Statistics Office; Department of Education and Youth	GIS-based model/planning (granular analysis)	Assumptions used to project future demand	Includes fertility, migration, repeat pupils, private school transfers, mainstream/SEN split and other planning assumptions

Source: Department of Education and Youth. Analysis by the Office of the Comptroller and Auditor General.

Note: ^a Fuzzy matching is a technique used to match addresses to records in the absence of other identifiers (such as PPSNs or Eircodes).

Annex 16B Pipeline projects per county, by project type as at end December 2025

	Number of SPAs	Primary		Post-primary		Total pipeline projects per county	Total modular projects per county ^a
		Extension and/or refurbishment	New school building	Extension and/or refurbishment	New school building		
Carlow	5	6	1	11	—	18	5
Cavan	7	8	—	14	—	22	2
Clare	12	8	1	16	5	30	7
Cork	37	52	5	87	11	155	31
Donegal	15	14	2	22	3	41	7
Dublin	42	51	21	102	36	210	63
Galway	21	28	3	33	10	74	18
Kerry	13	19	—	32	3	54	18
Kildare	17	12	6	25	6	49	13
Kilkenny	7	7	2	10	—	19	6
Laois	7	5	2	11	—	18	13
Leitrim	6	5	—	13	1	19	4
Limerick	11	7	3	39	1	50	10
Longford	5	9	—	12	1	22	1
Louth	5	7	—	16	2	25	6
Mayo	18	19	1	40	4	64	14
Meath	9	14	6	35	5	60	8
Monaghan	5	8	—	14	1	23	4
Offaly	7	6	2	15	—	23	4
Roscommon	10	8	—	15	1	24	7
Sligo	9	10	—	14	1	25	8
Tipperary	16	18	1	29	—	48	10
Waterford	6	7	2	17	—	26	9
Westmeath	7	10	1	13	—	24	13

	Number of SPAs	Primary		Post-primary		Total pipeline projects per county	Total modular projects per county ^a
		Extension and/or refurbishment	New school building	Extension and/or refurbishment	New school building		
Wexford	9	16	3	21	2	42	8
Wicklow	8	10	7	22	5	44	7
Total	314	364	69	678	98	1,209	296

Source: Department of Education and Youth. Analysis by the Office of the Comptroller and Auditor General.

Note: a This includes both primary and post-primary schools.

17 Provision of climate financing to developing countries

17.1 The United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement are the primary multilateral mechanisms for addressing the causes and consequences of climate change.¹ The provision and mobilisation of climate finance is central to the UNFCCC and the Paris Agreement.

17.2 The UNFCCC defines 'climate finance' as local, national or transnational financing — drawn from public, private and alternative sources — that seeks to support mitigation and adaptation actions to address climate change.

17.3 Official development assistance (ODA) is government aid that promotes and specifically targets the economic development and welfare of developing countries.² In 2024, Ireland's ODA totalled €2.35 billion.³ Climate financing to developing countries accounted for around 9% of Ireland's ODA in 2024.

17.4 In November 2021, Ireland committed to providing at least €225 million annually in climate finance to developing countries by 2025.⁴ Achievement of that target required a significant increase over the baseline climate financing level of €88.3 million in 2020.

17.5 Ireland adopted a Climate Finance Roadmap (the Roadmap) in 2022 setting out a whole-of-government strategy to achieve its climate finance targets, including its geographic focus.⁵ The aim is to achieve expenditure targets through public sources of finance in the period to 2025, while exploring how private climate finance can be mobilised over time. The roadmap is intended to apply to all channels of climate finance delivered by all climate finance spending Departments.

Focus of the examination

17.6 This examination was undertaken to review

- arrangements in place for allocating climate finance to developing countries and evaluating results achieved
- controls in place to ensure funding reaches the intended recipient(s) and to prevent duplicate funding
- progress to date in relation to the objectives and targets set out in the Climate Finance Roadmap.

17.7 The examination team met with staff from the government departments concerned and reviewed relevant documentation as part of the examination.

1 The Paris Agreement is a legally binding international treaty on climate change. It was adopted at the UN Climate Change Conference in Paris in December 2015.

2 In 1970, the UN set a target for developed countries to contribute ODA equivalent to 0.7% of their gross national income (GNI) each year. Ireland has committed to meeting the ODA target by 2030.

3 Includes expenditure of nearly €627 million to support Ukrainian refugees in Ireland.

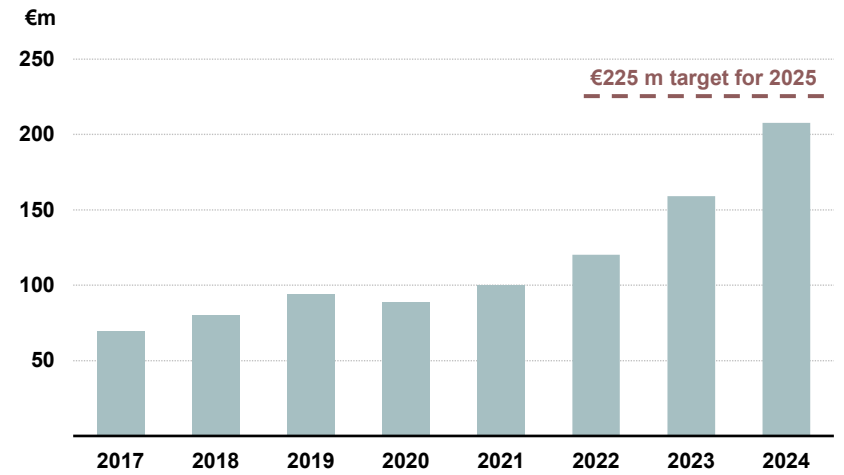
4 The commitment was made at the 26th Conference of the Parties (COP 26) of the UNFCCC in Glasgow.

5 [Ireland's International Climate Finance Roadmap](#) (2022).

Climate finance outturn

17.8 Ireland’s annual climate finance allocations to developing countries have increased consistently since 2020 (see Figure 17.1). In 2024 (the latest year for which data is available), climate financing totalled nearly €208 million. Analysis carried out by the Department of Foreign Affairs and Trade’s Climate Unit in autumn 2025 projects that Ireland will have met the target of €225 million for 2025 when the verification of figures is complete.

Figure 17.1 Ireland’s climate financing to developing countries 2017 – 2024^a



Source: Ireland’s International Climate Finance Roadmap 2022 (2017 to 2020 figures); Ireland’s Climate and Environment Finance Reports 2024 (2021 to 2024 figures)

Note: a The figures shown represent climate finance provided directly by Ireland. Climate finance provided via the EU budget (to which Ireland is a net contributor) or the European Development Fund is not included.

Financing verification arrangements

17.9 Ireland reports annually to the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee on overall ODA expenditure against a set of internationally agreed statistical standards.⁶ Reports are made in the year after the expenditure is incurred. To calculate the total amount reportable as international climate finance, all of Ireland’s ODA is assessed for climate relevance following verification by the OECD.

17.10 As part of its ODA reporting to the OECD, Ireland assesses the relevance of its ODA projects and programmes to different policy objectives such as gender equality, nutrition, governance and climate. Spending on bilateral, climate-related ODA is tracked using a defined methodology for counting development aid known as ‘Rio markers’.⁷ Donors are provided with broad-based definitions and guidance on the application of the Rio markers to development cooperation activities. Activities are categorised as ‘principal’, ‘significant’, or ‘not targeted’ for each Rio marker, which determines the percentage of budget attributable to climate finance. To receive budget allocations specifically earmarked for climate under the Department of Foreign Affairs and Trade’s ODA budget, projects must qualify for a Rio marker of 2 — denoting climate as a principal project objective — for either climate adaptation or mitigation, when assessed at appraisal stage.

6 The Development Assistance Committee is a body within the OECD which establishes definitions and methods for monitoring, assessing and reporting resources contributing to development cooperation.

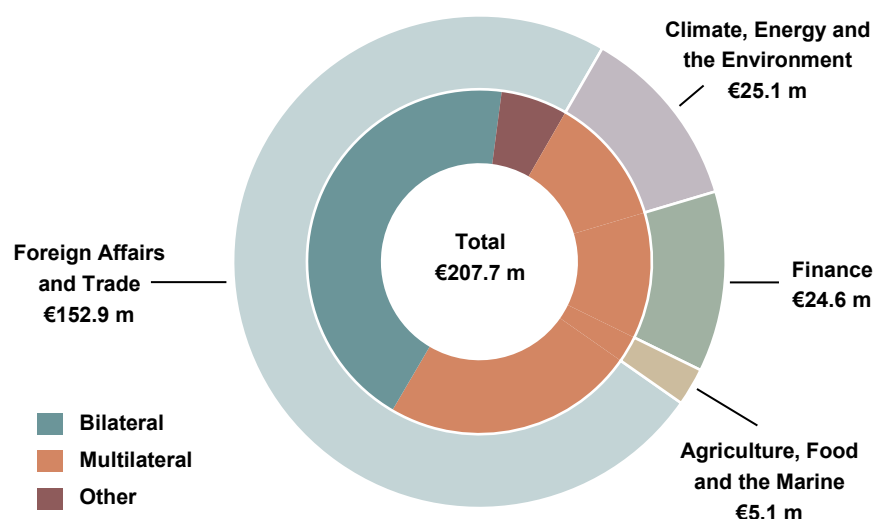
7 Rio markers were developed by the OECD to enable the consistent measuring and monitoring of bilateral climate-related and environment-related development finance provided by donor countries and multilateral institutions to developing countries.

- 17.11** Verified final ODA figures are available from the OECD in December of the year following disbursement. Around four months after, the Department of Foreign Affairs and Trade publishes an annual report on climate and environmental finance, with information on funding sources, thematic and geographic priorities, and disbursement channels. The report for 2024 was published in April 2026.⁸
- 17.12** Ireland also reports annual climate finance contributions to the European Union and to the UNFCCC.

Allocation of climate finance

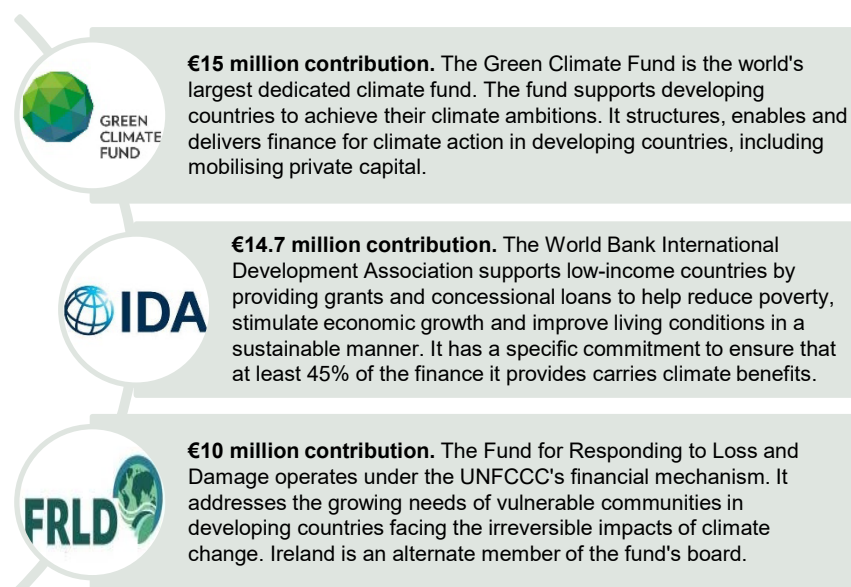
- 17.13** Exchequer funding for climate finance to developing countries is provided annually to spending departments through the estimates process. In 2024, a total of nearly €208 million climate finance expenditure was incurred by four departments (see Figure 17.2).
- 17.14** Climate finance is delivered through three channels
- **multilateral programming** — involving contributions to multilateral climate change funds, international financial institutions and other international organisations, including UN bodies (see Figure 17.3 for information on the largest multilateral climate finance contributions in 2024)
 - **bilateral programming** — involving the provision of climate finance through Ireland's overseas mission network and civil society organisation partners
 - **other** channels — comprises research, knowledge and thematic partnerships e.g. with the International Institute for Environment and Development, and the International Institute for Sustainable Development.

Figure 17.2 Climate financing 2024, by department and funding channel



⁸ [Ireland's Climate and Environmental Finance Report 2024](#), Department of Foreign Affairs and Trade.

Source: *Ireland's Climate and Environmental Finance Report 2024*

Figure 17.3 Largest multilateral climate finance contributions in 2024

Source: *Ireland's Climate and Environmental Finance Report 2024*

17.15 Budget allocation processes within the spending departments take account of climate policy objectives and international commitments, in line with *Ireland's International Climate Finance Roadmap*.

17.16 In the Department of Foreign Affairs and Trade, climate finance is provided through Vote 27 International Co-operation.⁹

- In practice, many business units and missions include climate objectives in their strategies and business plans. In line with the principles of sustainable development and Ireland's commitment to 'climate-proof' development co-operation, some projects and grants may result in climate co-benefits that are reportable as climate finance.¹⁰
- Annual climate finance includes both funding earmarked for climate objectives at the outset, and finance co-benefiting other projects and sectors.
- The Department of Foreign Affairs and Trade's Climate Unit tracks anticipated climate spend. However, the final determination of climate finance outturn for a particular year comes through an OECD-led verification process that only concludes approximately 15 months after the end of the year of expenditure.

17.17 The budget allocation process in the Department of Climate, Energy and the Environment involves working with several longstanding funding partners.¹¹

- The largest single payment in 2024 was a €15 million contribution to the Green Climate Fund, established in 2010 specifically to serve the UNFCCC.¹²
- In most other cases, funding is allocated on a year-by-year basis, though partners may ultimately be supported for several consecutive years, subject to their work continuing to align with Irish international climate and ODA priorities.

9 The Department prepares and submits a formal annual submission to the Minister for approval. The submission includes details of the proposed allocation for climate finance, the rationale for continuing support and the alignment with climate finance priorities. Funding is disbursed once ministerial approval is received.

10 Climate-proofing involves ensuring that all projects are sensitive to climate considerations.

11 Ministerial approval is provided based on an annual climate finance submission from the Department of Climate, Energy and the Environment.

12 The payment in 2024 related to Ireland's pledge of €40 million funding, under the second replenishment cycle of the Green Climate Fund in 2023.

- In certain cases, the funding level is predetermined based on existing agreements, with set amounts allocated annually. Agreements are reviewed each year to ensure they are in alignment with the Climate Finance Roadmap.

17.18 The Department of Finance is a shareholder in a number of multilateral development banks including the Asian Development Bank, the Asian Infrastructure Investment Bank and the African Development Bank. Support for climate finance is channelled through contributions to concessional funds and capital subscriptions which form part of the overall capital structure of the banks. Member contributions to concessional funds are commingled in a core pool. The Department of Finance stated that climate-related investment and outcomes are a key priority for multilateral development banks. It stated that the banks typically aim to allocate 40 to 50% of approved financing to climate-related activities.

17.19 For the Department of Agriculture, Food and the Marine, climate-related funding in 2024 largely consisted of a ring-fenced contribution of €5 million to the World Food Programme. The payment was made under the Ireland World Food Programme Strategic Partnership Agreement 2025 – 2027.

Coordination of climate finance

17.20 The Climate Finance Roadmap provided for the establishment of a new climate finance subgroup of the existing Interdepartmental Committee on Development Cooperation (ICDC).¹³ The role of the subgroup is to oversee, coordinate and ensure coherence of spend across all climate finance spending Departments.

17.21 In parallel to the budgetary process, the ICDC subgroup discusses estimated climate finance budgets for the forthcoming year, in the context of overall ODA budgets. The subgroup discussions are without prejudice to the budgetary process and typically take place in the summer, with departments confirming their allocations at meetings later in the year.

17.22 It can be difficult to accurately predict annual climate finance outturn due to the complex attribution system used by the OECD.¹⁴ For example, while the ICDC subgroup had initially estimated a climate finance spend of approximately €180 million for 2024, the final outturn for that year was nearly €208 million. The Department of Foreign Affairs and Trade stated that such projections are updated on a rolling basis, as data is finalised and verified by climate finance spending Departments, missions, units and subsequently the OECD.

13 The Interdepartmental Committee on Development Cooperation aims to ensure effective coordination and active engagement across Government to achieve international development goals.

14 Climate finance attribution systems include projects and programmes that carry benefits for climate, even if this was not their primary purpose. Full visibility of this portion comes only after all of Ireland's ODA payments for a given year have been reviewed for climate relevance.

15 [Climate Finance and Ireland](#), dóchas, October 2025.

Funding distribution

17.23 An October 2025 report published by dóchas, a representative body for non-governmental development organisations in Ireland, was generally positive about the quality of Irish climate finance.¹⁵ The report commended several features of the Irish approach, which have ensured that funds have largely been directed to where the need is greatest, including that it

- focuses mainly on climate-vulnerable countries
- is gender-responsive, recognising the intersection of gender inequality and climate change

- has been delivered in the form of grants as opposed to loans and has been oriented towards the adaptation needs of countries.

17.24 However, the report also notes that more than half of the Irish climate finance comprises grants to multilateral development banks, UN funds and other international bodies. Such funding is a grant only at the point of disbursement by Ireland and could later be converted to loans by the funded organisations. The report identified this as an area that requires more oversight. The Department of Foreign Affairs and Trade stated that the rationale for providing multilateral climate finance includes to increase reach and impact, to mitigate fragmentation of international financial systems, to streamline administrative demands on partners and to support the designated operating entities of international climate agreements.

17.25 Nearly three-quarters of Irish climate finance in 2024 was provided for programmes and projects solely targeting adaptation to climate change.¹⁶ A further 15% of the funding went towards measures incorporating both adaptation and mitigation actions, with just 11% for mitigation-focused activities only.¹⁷

17.26 The Department of Foreign Affairs and Trade screens all ODA for climate-relevance. This exercise captures both funding earmarked for climate at allocation stage, as well as broader funding with significant benefits for climate action.

Project selection

17.27 In the Department of Foreign Affairs and Trade, projects in receipt of earmarked climate finance are selected based on alignment with priorities in the Climate Finance Roadmap and on the extent of their climate-relevance. All grants successful at appraisal and approval stage are subject to compliance with conditions set out in agreements with funding partners.

17.28 *Ireland's Climate and Environmental Finance Report 2024* provides examples of specific projects funded by Ireland in that year.

- Ireland provided €300,000 in 2024 towards a project to deliver a reliable water source for a school in Mabote, Mozambique. Since project completion, attendance at the school has stabilised and a new school garden provides a food source for students.
- Irish climate financing of €114,000 in 2024 supported the construction of a new waste management plant in Freetown, Sierra Leone.¹⁸ The plant now treats 20% of the city's human waste and pilots waste-to-energy technology to produce cleaner and more sustainable alternatives to charcoal.

17.29 Neither the Department of Climate, Energy and the Environment nor the Department of Finance allocate funding directly to individual projects. Most of the funding provided is channelled through partnerships and multilateral climate funds such as the Green Climate Fund and the Global Environment Facility. Project selection within those funds is undertaken at board level in consultation with fellow donor countries. This is done in line with their governance frameworks and strategic priorities, as follows.

16 Adaptation measures involve taking appropriate action to prevent or minimise the damage that may be caused by climate change or taking advantage of opportunities that may arise.

17 Mitigation measures involve minimising the impacts of climate change by preventing or reducing the emission of greenhouse gases into the atmosphere.

18 The 2024 contribution was made in the context of an ongoing multiannual partnership with GOAL. Under this partnership, the Department of Foreign Affairs and Trade has contributed total funding of over €662,000 to the project in the period 2023 – 2026. Ireland also supported the project under a previous civil society funding scheme.

- For the Green Climate Fund, the Department of Finance contributes to the assessment of project proposals through its alternating roles as a board member and as an advisor.
- For the Global Environment Facility and the Initiative for Climate Action Transparency, the Department of Climate, Energy and the Environment contributes to the assessment of project proposals through its respective roles as an alternate board member and member of the steering committee.

17.30 The Department of Agriculture, Food and the Marine does not have primary responsibility for selecting individual projects to receive climate financing.

Grant management and control

17.31 The Department of Foreign Affairs and Trade is guided by the Climate Finance Roadmap when allocating funding to specific climate finance projects. The Department allocates, monitors and evaluates climate finance using its standard approach to grant management (see the key stages at Figure 17.4). Where climate-relevant partnerships are being considered by other units/missions, the Department's Climate Unit provides technical expertise and input as required at each stage of the grant management process.

17.32 The Department's guidance material specifies actions to be taken, and information and documentation to be available, for each stage of the grant management cycle. It includes supporting templates and prompts managers and decision makers to consider all potential projects, partners and funding decisions from the perspective of risk, results and financial accountability.

17.33 While the Department of Foreign Affairs and Trade provides a combination of bilateral and multilateral climate finance, the other three climate finance spending Departments provide climate funding through multilateral channels only. The nature of this funding means that money is pooled with contributions from a range of other donors. For such partnerships and multilateral funds, contributors do not retain direct control of how contributions are allocated and disbursed.

- The Department of Climate, Energy and the Environment stated that for pooled funds, it may provide input into the work programme, approach and strategy of the funds in cases where it is represented at board or steering committee level.
- The Department of Finance stated that fund strategies are discussed and agreed at board level where there is an opportunity to provide input and guidance on their development. The Department of Finance inputs to the Green Climate Fund through its participation in a constituency board seat with Spain and New Zealand. Whether acting as an alternate board member or as an advisor, the Department stated that it can exert influence through its constituency board member or by way of discussions with other board members.

Figure 17.4 Key elements of the Department of Foreign Affairs and Trade's climate finance grant management and control procedures

Stage	Grant management procedures	Controls
Identification of projects and partners	- Screening of the relevance of expected results for the priorities of Ireland's international development policy, the suitability of the prospective partner and the Department's capacity (in terms of the available financial and human resources) to manage the grant.^a - For earmarked climate finance, with support from Climate Unit, additional screening of the relevance of expected results for Ireland's international climate finance priorities as set out in the Climate Finance Roadmap.	- Partners must declare any conflicts of interest and comply with relevant legislation and financial obligations, including avoidance of fraud and corruption. - Assessment of partner's capacity for managing risk.
Design and development	- Department engages with partner to prepare a project/programme proposal. - Grant manager develops an understanding of the project/programme, the budget, and the partner organisation and its performance history. - For earmarked climate finance, develop an understanding of the climate-relevance of the project, drawing on guidance and expertise from Climate Unit.	Sufficient information gathered on project (including climate-relevance), partner and budget to inform subsequent appraisal.
Appraisal, recommendation and approval	- Manager documents assessment of the project/programme, the partner, Ireland's contribution in the context of other funding and associated risk. - Grant manager issues recommendation on whether a grant should be awarded and sets out any conditions that should be included in the grant agreement and/or monitoring of the grant. - For earmarked climate finance, the appraisal must record a required level of climate-relevance, and the recommendation is issued in consultation with Climate Unit. - Grant recommendation considered by budget holder and approved at a level appropriate to the recommended funding amount.	- Record manager's assessment and recommendation, and the subsequent grant decision, including any conditions to be attached to the grant agreement and/or monitoring of the grant. - Document assessment of the project's contribution to thematic areas and sectors relevant to Ireland's international development policy. - Decisions on allocation of earmarked climate finance are based on OECD Rio markers.
Implementation	Involves entering into a written agreement with the relevant partner organisation, processing grant payments, and monitoring performance and continued relevance against the reporting and accountability requirements agreed at approval stage.	- Written agreement in place and receipts obtained for funds transferred. - Periodic progress reports/audits from partners reviewed by grant managers. - Rolling meetings/engagement with partners and potential monitoring visits. - Department can audit original documentation and evaluate funded activities.
Completion and learning	Involves accounting for and closing a grant file, considering audits and evaluations, and noting results achieved and useful lessons learned.	- Final report/statement from partner showing funding applied and outcome achieved. - Closure note completed by grant manager.

Source: Department of Foreign Affairs and Trade

Note: a [A Better World. Ireland's Policy for International Development](#), 2019.

- 17.34** Independent audit assurance may be provided by the supreme audit institutions of the developing countries in cases where specific projects are co-funded with other donor countries and channelled through government systems.
- 17.35** The Department of Finance also stated that Green Climate Fund contributions are strictly conditional and governed by a funded-activity agreement.¹⁹ It noted that duplicate funding to the Green Climate Fund is prevented through a combination of financial disclosure requirements, national coordination and inter-fund synchronisation. Accredited entities are legally mandated to declare all co-financing sources in their proposals and report any new donor contributions annually to ensure Green Climate Fund funds only cover additional climate costs.²⁰
- 17.36** The Department of Climate, Energy and the Environment stated that in certain circumstances it may apply conditions to funding for climate finance. For example, it provided €400,000 to the UNFCCC Trust Fund for Participation in 2025 with the condition that €350,000 of that funding be allocated to locations classified by the UN as either 'least developed countries' or 'small island developing states'.
- 17.37** The Department of Climate, Energy and the Environment stated that each funding partner carries out financial monitoring through its own established fiduciary and audit systems. Funding partners also consolidate financial reporting at various levels, providing an oversight of disbursements and expenditure across programmes. Reports received are reviewed and discussed at meetings with funding partners. Given the nature of the funding, reports are also discussed at board level with other donor countries.
- 17.38** Following disbursement, the Department of Climate, Energy and the Environment follows up with partners to request confirmation that they have received payment.
- 17.39** Performance measurement across all four climate finance spending Departments is based primarily on the grantee's own monitoring and evaluation systems. In addition, all the Departments retain the right to evaluate all funded programmes and projects independently.
- 17.40** The Department of Foreign Affairs and Trade has stated that climate finance is monitored and reported in line with internationally agreed methodologies, set by the OECD Development Assistance Committee, the EU and the UNFCCC. Based on these and in addition to fulfilling its related reporting obligations, the Department publishes a climate finance report annually, providing quantitative and qualitative information on thematic and geographic areas of support.

¹⁹ This legal contract includes 'conditions precedent' that must be satisfied before any money is released, such as finalised technical designs or proof of financial capacity. There are also ongoing covenants like mandatory independent audits, annual performance reports and strict adherence to environmental and social safeguards.

²⁰ This is verified by the GCF's Independent Technical Advisory Panel and the host country's national designated authority which ensures alignment with existing donor projects.

Evaluation of climate finance results

- 17.41** The Department of Foreign Affairs and Trade publishes annual reports on Ireland's climate and environmental finance. Each report includes a detailed analysis of the climate finance provided in the year as well as information on funding sources, thematic and geographic priorities and disbursement channels. The reports also include year-on-year trends highlighting Ireland's progress towards meeting international climate finance commitments.

- 17.42** The annual reports on climate and environmental finance include case studies which provide an indication of the impact of the selected projects. However, there are no metrics to quantify outcomes across the portfolio.

Progress in achieving Climate Finance Roadmap objectives

- 17.43** The Climate Finance Roadmap sets out a framework for achieving climate finance commitments to 2030. It includes commitments to
- provide at least €225 million climate finance annually to developing countries by 2025
 - scale up Ireland's international climate finance, prioritising adaptation funding in least developed countries and small island developing states most vulnerable to climate change
 - provide finance primarily through grants instead of loans, to reduce debt pressure on poorer countries
 - adopt a coordinated, all-of-government approach to deliver on targets
 - carry out an external review of the Climate Finance Roadmap by end 2025.

Roadmap implementation review

- 17.44** In 2025, the Department of Foreign Affairs and Trade commissioned an external review of the Climate Finance Roadmap. The review was carried out over July and August 2025 by Trinomics, a consultancy firm specialising in energy, environment and climate change policy.²¹
- 17.45** The purpose of the review was to ensure that Ireland's climate finance strategy remains responsive to evolving global needs and is aligned with international commitments. The methodology involved desk-based analysis of relevant documents and interviews with key stakeholders.
- 17.46** The focus of the review was on evaluating two main dimensions of Ireland's climate finance commitments, as set out in the Climate Finance Roadmap i.e.
- assessing the progress on the strategic priorities, including Ireland's thematic focus areas and key quantitative targets
 - examining the operationalisation of these priorities, including how responsibilities are distributed among relevant government departments, agencies and delivery partners.
- 17.47** Overall, the review found that Ireland is on track to achieve its headline target of providing €225 million in annual climate finance by 2025. It concludes that Ireland has made clear and measurable progress in delivering on commitments in the Climate Finance Roadmap.
- 17.48** The review identifies some areas for improvement. A key finding is that current arrangements for tracking the outcome and impact of Ireland's climate finance are limited. The report notes that impact assessment remains a work in progress with a heavy reliance on case studies and a lack of formal mechanisms for monitoring the effectiveness of funded activities at portfolio level.

²¹ [Review of Ireland's International Climate Finance Roadmap](#), Trinomics, September 2025.

- 17.49** The Department of Foreign Affairs and Trade stated that discussions are ongoing at global level on climate finance reporting obligations and impact metrics. It highlighted a number of challenges in measuring the impact of Irish climate finance including
- the diversity of Ireland's climate finance portfolio in terms of funding channels and partnerships
 - the number of actors engaged in delivery of the whole-of-government Climate Finance Roadmap
 - the need to balance considerations such as specific context of projects and alignment with country frameworks against meaningful assessment at portfolio level.
- 17.50** Other challenges identified in the Trinomics report include that
- while it is evident that support for least developed countries has increased significantly in recent years, climate finance to fragile states is not systematically tracked
 - in some cases, the Roadmap is not used or is only used retrospectively to justify decisions rather than to guide forward-looking strategy
 - while the operationalisation of the Roadmap has been largely successful, further delivery is constrained by capacity gaps, high staff turnover, and a reliance on informal relationships and shared experience.
- 17.51** The Department of Climate, Energy and the Environment leads Ireland's reporting to the UNFCCC. The Department does not currently report on mobilised private climate finance, as all of Ireland's funding is public and grant based. However, the Department has acknowledged that there is a growing expectation for such reporting and that this needs to be addressed in future reporting cycles.
- 17.52** The Trinomics report included an implementation tracker for actions related to commitments in the Climate Finance Roadmap. A summary of the progress on each action is set out at Annex 17A. As of September 2025, two commitments had been met, twelve were in progress and one had not been met.

Response of the ICDC subgroup on climate finance

- 17.53** The ICDC climate finance subgroup established under the Climate Finance Roadmap has formally responded to the Trinomics review, setting out planned actions to address its recommendations.²² It made the following key points.
- The subgroup welcomed the review's focus on effectiveness and impact.
 - It noted that some of the challenges referenced in the review are widely recognised as being shared and system wide. It stated that it will look to avail of large-scale analysis, broad technical expertise and opportunities for peer learning.
 - The subgroup stated that in addressing the recommendations of the review, it is important to take account of climate finance's eligibility as ODA and the overall preference for grants-based support.

²² [Management Response to the External Review of Ireland's International Climate Finance Roadmap](#), Department of Foreign Affairs and Trade, April 2026.

- It stated that the overarching development policy commitment to reaching those furthest behind first will continue to shape Ireland's climate finance, diplomacy and advocacy into the future.

Conclusions and recommendation

- 17.54** Ireland's annual climate financing to developing countries has steadily increased since it committed in November 2021 to providing at least €225 million annually by 2025. Ireland adopted a Climate Finance Roadmap in 2022 setting out a strategy to achieve its climate finance targets.
- 17.55** Due to a complex and time-consuming OECD-led verification process, the data underpinning calculation of the climate finance outturn for any particular year is not fully finalised until more than 12 months after the end of the year in question. In practice, this makes it difficult for authorities to ensure that a precise target level of annual climate finance spend is achieved.
- 17.56** In 2024, the latest year for which data is available, Ireland contributed climate finance of nearly €208 million to developing countries. The Department of Foreign Affairs and Trade projects that Ireland will have met the €225 million target for 2025 when the verification of figures is complete.

Allocation of climate finance

- 17.57** Four government Departments are involved in delivering Ireland's annual climate finance programme. Nearly 75% of the budget in 2024 was spent by the Department of Foreign Affairs and Trade. A climate finance subgroup of the existing Interdepartmental Committee on Development Cooperation has been established under the Climate Finance Roadmap to oversee, coordinate and ensure coherence of Ireland's international climate spend.
- 17.58** More than half of Irish climate finance is in the form of grants to multilateral development banks, UN funds and other international bodies. Such funding is a grant only at the point of disbursement by Ireland and could later be converted to loans by the funded organisations.
- 17.59** The Department of Foreign Affairs and Trade provides a combination of bilateral and multilateral climate finance. It selects projects to receive climate financing based on alignment with priorities in the whole-of-government Climate Finance Roadmap and compliance with any conditions set out in agreements with funding partners. None of the other climate finance spending Departments allocates funding directly to individual projects.

Climate finance results

- 17.60** The Department of Foreign Affairs and Trade publishes annual reports on Ireland's climate and environmental finance which include case studies that provide an indication of the impact of the selected projects. However, there are no metrics to quantify outcomes across the portfolio.
- 17.61** The Department has been proactive in commissioning a timely external evaluation of the Climate Finance Roadmap (in September 2025) and in publishing that report as well as the response of the Interdepartmental Committee on Development Cooperation subgroup (in April 2026).

- 17.62** The external review highlighted some limitations in the current arrangements for tracking the outcome and impact of climate finance. It noted that impact assessment remains a work in progress with a heavy reliance on case studies and a lack of formal mechanisms for monitoring the effectiveness of funded activities.

Recommendation 17.1

Since substantial climate-focused development funding is likely to continue in the future, the Department of Foreign Affairs and Trade should develop appropriate metrics to demonstrate the outcome(s) and impact(s) of Ireland's climate finance. Appropriate baselines or benchmark values should be identified for those metrics, and realistic targets should be set by reference to the allocated funding. The Department should include those metrics in its annual reports on climate and environmental finance.

Accounting Officer's response

Agreed.

Following a period of rapid scale-up in Ireland's climate finance and building on the outcomes of the recent review of the Climate Finance Roadmap, the development of metrics to monitor the impact and effectiveness of Ireland's climate finance will be conducted in the period 2026 to 2030. This timeframe coincides with the remaining period for both the Climate Finance Roadmap and Ireland's current policy for international development and the Department considers it appropriate, given the complexity of the work.²³

To ensure feasibility, the exercise will require close alignment with related efforts under Ireland's broader development cooperation programme; careful sequencing against internal procedures on results and data collection, and discussions on global metrics; and careful balancing of elements such as support to country-owned frameworks versus meaningful measurement at portfolio level.

Timeline for implementation

2026 to 2030.

Control regime

- 17.63** The Department of Foreign Affairs and Trade has a well-established standard procedure for grant management that is applied when allocating and monitoring climate finance. Control procedures include obtaining receipts for funds transferred. Additional controls apply for earmarked climate finance to ensure the climate-relevance of projects and that grant decisions are based on appropriate climate criteria.
- 17.64** Much climate finance provided by Ireland comprises grants to international organisations and funds which are pooled with contributions from other countries. Once such grants have been awarded, Ireland has only indirect control over how the funding is used by the recipient. Through representation on the governance structures for such organisations, and as part of funding agreements, donor Departments can influence the amount and effectiveness of climate-related lending to less developed countries and other target groups.

²³ [A Better World. Ireland's Policy for International Development](#), published February 2019.

Annex 17A Summary of actions under the Climate Finance Roadmap

Commitment	Progress	Comment
Themes and geographic focus		
Maintain and strengthen focus on the priority themes identified in the roadmap through ongoing and new funding relationships.		Ireland's focus on priority themes, adaptation, loss and damage, oceans, biodiversity, climate and security, innovation and entrepreneurship, and capacity has been strengthened through funding partnerships. Greater emphasis is needed to ensure that all themes are represented and clearly linked to climate action.
Finalise methodology and implement the process to climate-proof all of Ireland's ODA — lead a climate-proofing exercise across the Government starting in 2022.		The climate-proofing strategy is complete and the rollout across departments has commenced with an initial focus on the Department of Foreign Affairs and Trade and missions.
Channels		
Develop a methodology to determine increases in funding for each channel/theme set out in the roadmap up to 2025.		While overarching analyses can be made, an exercise has not been done for each channel/theme.
Design and establish new funding schemes for bilateral (first mover fund) and civil society organisation funding (climate window) and sensitise missions and partners to these schemes.		The first mover fund was completed in 2023 with approximately €4 million disbursed. Further allocations to missions in 2024 and 2025. The civil society organisation climate window was launched in 2023 and has been maintained in 2024 and 2025.
Risk assessment		
Ongoing risk assessment of expected funding increases relative to the proposed themes and channels and align risk appetite and management mechanisms appropriately.		While risk assessments are required for all projects as part of the standard approach to grant management, they have not been systematically applied to assess risks by themes and channels.
Climate diplomacy		
Ensure, through the development of common messaging, that government departments and mission networks are utilising consistent and coherent diplomacy with partner countries, implementing partners and others, to align climate diplomacy with the principles and themes defined in the roadmap.		Ireland's national climate delegation, led by the Department of Climate, Energy and the Environment, shapes international climate policy through active engagement in EU expert groups, annual UN conferences, and coordinated cross-departmental work on climate finance to align global action with domestic priorities. The Climate Unit in the Department of Foreign Affairs and Trade supports this by preparing detailed positions on key thematic areas, ensuring Ireland's international climate finance commitments and roadmap priorities are met.
Capacity building		
Review existing capacity of government departments, missions and key partners to deliver the increase in climate finance.		While each department monitors its ability to deliver increased climate finance, capacity remains uneven across Government, with high staff turnover and uneven expansion of staffing per unit and departments. The Climate Unit in the Department of Foreign Affairs and Trade provides technical assistance to overseas missions and civil society partners, with support from external partners, including the International Institute for Environment and Development.

Commitment	Progress	Comment
Develop and implement a plan of action to address areas where gap filling is needed.		Each department actively monitors its capacity to deliver on climate finance commitments. The ICDC subgroup has also undertaken assessments to identify capacity-building needs, with targeted training — such as on ODA. The trainings have remained <i>ad hoc</i> .
Reporting		
Incorporate output and outcome reporting, via case studies, into annual climate finance reports to complement quantitative reporting of expenditure and to enable impact reporting.		The annual climate finance report has regularly included one case study from missions; this increased to three case studies from different channels for the 2023 climate finance report. However, impact reporting could overall be increased, for example, per topic and channel.
Governance		
Initiate ICDC engagement on climate finance and develop terms of reference for the establishment of the climate finance subgroup in advance of the next scheduled meeting of the ICDC.		The ICDC subgroup on climate finance terms of reference has been established and the group meets regularly. However, not all members attend the meetings regularly.
Private sector engagement		
Undertake preparatory and scoping exercises to identify the most appropriate options for private sector engagement for climate action in the post-2025 period, in line with the principles, objectives and themes described in this roadmap.		The Department of Finance has made measurable progress in engaging the private sector for climate action through its work with the Green Climate Fund and multilateral development banks, etc. The Green Climate Fund has contributed \$6.4 billion to support 73 private sector projects, demonstrating a clear commitment to leveraging private finance for climate initiatives.
Monitoring, evaluation and learning		
Undertake an evaluation/review and lessons learned exercise of Ireland's climate finance — conduct a review of the Climate Finance Roadmap by 2025, which will be used to inform climate finance expenditure in the 2026 – 2030 period.		The Trinomics report presents the findings of the independent review of the Climate Finance Roadmap.
Explore the development of metrics to measure the contribution of Ireland's climate finance, its impact on climate-vulnerable people and the effectiveness of Irish climate diplomacy, and disseminate to stakeholders.		The development of metrics has not been completed. A review of mission strategies, qualitative case studies, civil society organisation partner statistics, and output data from multilateral channels (if possible) should be collected and published.
Explore the creation of a forum to enhance coordination and learning among relevant stakeholders to support the principles and themes of the roadmap.		The ICDC subgroup was created to enhance coordination and learning among different government departments, though not all departments join regularly. The Department of Foreign Affairs and Trade's Climate Unit leads a climate advisor network to enhance coordination and learning within the Department.
Communications		
Public engagement activities through existing government and partner awareness raising/communications mechanisms to build support for and understanding of Ireland's growing international climate finance.		Climate reports and strategies have been published. They share policies and (mostly) quantitative results of Ireland's climate finance performance. Further engagement may still be fostered, and work is ongoing.

Source: [Review of Ireland's International Climate Finance Roadmap](#), Trinomics, September 2025



Meeting commitment



Progressing to meet commitment



Not meeting commitment

18 Delivery of the EU Just Transition programme

- 18.1** The European Union's Just Transition Fund (EU JTF) was created under the 2021 – 2027 budget programming round.¹ It operates within the framework of EU Cohesion Policy.² Implementation of the Cohesion Policy is the EU's primary investment strategy aiming to reduce economic, social and territorial disparities between regions, and to promote harmonious development across member states.
- 18.2** The specific aim of the EU JTF is to mitigate the adverse effects of climate transition by supporting the most affected territories and workers, and to promote a balanced socioeconomic transition. The fund is designed to assist communities across Europe to meet the challenges of the green transition in an effective and fair manner, ensuring that nobody is left behind.
- 18.3** As required by law, Ireland prepared a Territorial Just Transition Plan in 2022 setting out the parameters within which the EU JTF would operate.³
- 18.4** In Ireland, support under the EU JTF targets certain areas within the wider Midlands region assessed as being most negatively affected by the transition away from peat production and electricity generation from peat. The EU JTF territory approved by Government includes the full counties of Laois, Westmeath, Offaly, Longford and Roscommon; and the municipal (local authority) districts of Ballinasloe in Galway, Carrick-on-Suir and Thurles in Tipperary, and Athy and Clane-Maynooth in Kildare (see Figure 18.1).⁴

Figure 18.1 Just Transition Fund target territory



¹ EU programming rounds are seven-year frameworks that determine the budget, priorities, and funding opportunities for various EU initiatives.

² [EU Regulation 2021/1056](#), of June 2021, as amended by [EU Regulation 2025/1914](#), of September 2025 established the Just Transition Fund. [EU Regulation 2021/1060](#), of June 2021, lays down common provisions for the EU JTF and other Cohesion Policy funds.

³ [Territorial Just Transition Plan, EU Just Transition Fund](#), 2022.

⁴ The territorial designation was approved at government level based on a number of assessments including county-level and sub-county analyses commissioned, as well as reports and recommendations of the Just Transition Commissioner.

18.5 The EU JTF programme in Ireland is being implemented on a 50:50 co-funding basis. Funding of up to €169 million is available — €84.5 million from the EU matched by €84.5 million in funding from the Exchequer. Target beneficiaries can include micro-enterprises, small and medium-sized companies, research institutions, local authorities, community organisations and semi-state companies.

18.6 Prior to the launch of the EU JTF, a national Just Transition Fund established in Ireland in 2020 had allocated grant funding of just over €22 million to a total of 56 projects commencing during 2020 and 2021.⁵ Around €16 million of the allocated funding was drawn down by beneficiaries. The national Just Transition Fund closed in December 2024 and was not subsumed into the EU JTF.

18.7 This examination assesses

- the adequacy of the funding framework in place for the delivery and operation of the EU Just Transition Fund
- expenditure to date, compared to the total EU funds available to Ireland
- results to date, in terms of achievement of objectives and targets set.

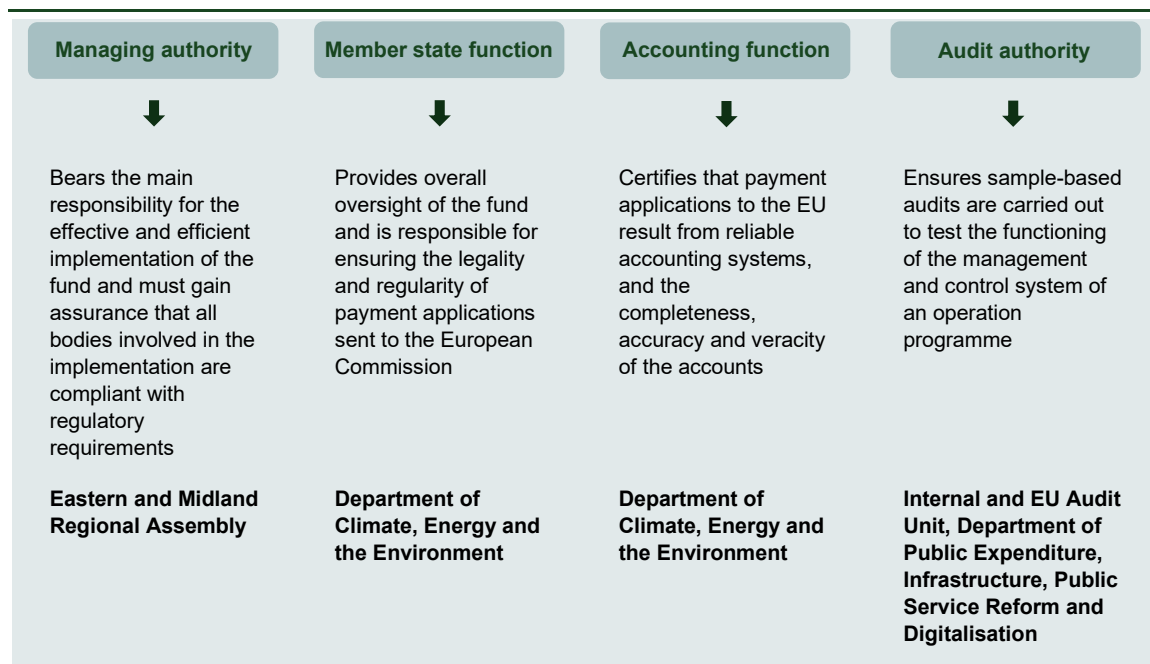
⁵ All of the expenditure for the national Just Transition Fund was channelled through Vote 29 Climate, Energy and the Environment.

⁶ The [Partnership Agreement 2021 – 27](#) for Ireland is in place between the EU and the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation.

Funding framework

18.8 EU funds are administered under a well-established funding management and control framework. The EU JTF operates under the shared management model, whereby programmes are jointly administered by the European Commission and national authorities (see Figure 18.2). Under shared management, the member state enters into an agreement with the Commission setting out how funding will be used.⁶

Figure 18.2 Shared funding model management and control framework for the EU Just Transition Fund



Source: Office of the Comptroller and Auditor General

- 18.9** In line with EU requirements, the JTF is managed by a managing authority with oversight provided by the member state. Accounts and payment applications are processed by the accounting function. In Ireland, the Eastern and Midland Regional Assembly (EMRA) is the managing authority and the Department of Climate, Energy and the Environment (the Department) performs both the member state and accounting function roles.⁷

Investment priorities

- 18.10** Ireland's original EU JTF programme was submitted to the European Commission in November 2022 and adopted by the Commission in December 2022. It focused on three priority areas for investment, identified in Ireland's Territorial Just Transition Plan. Three actions were specified under each of the three priorities.
- 18.11** In March 2026, the European Commission approved an amendment to Ireland's EU JTF programme. The amendment had been requested by EMRA and the Department, based on an assessment of the JTF programme they carried out under the mandated mid-term review process. Two of the original actions — focused on land rewetting and on provision of a network of chargers for electric vehicles — were removed due to significant implementation difficulties.⁸ The budgets for the two terminated actions — €15 million each — were reallocated to a single action under a new fourth priority, focussing on the climate transition and resilience of the EU JTF territory. The revised programme features a total of eight actions across four priorities (see Figure 18.3).
- 18.12** While EMRA (as managing authority) retains overall responsibility for programme delivery, intermediate bodies have been appointed to oversee implementation of individual actions. Implementation tasks are delegated to intermediate bodies through service level agreements. Intermediate bodies oversee the day-to-day administration of the actions and report progress to EMRA.
- 18.13** The Department and EMRA hold monthly meetings with each intermediate body to oversee progress on each action. A broad range of matters is discussed at the monthly meetings including progress updates, financial forecasts, compliance and control issues, and risk management.
- 18.14** Funding under Ireland's EU JTF programme is formally assigned at priority level and broken down further into action level. The European Commission requires a formal programme amendment for any large movements of budgets between priorities.⁹
- 18.15** In February 2024, the Strategic Technologies for Europe Platform (STEP) was established to support European industry and boost investment in critical technologies. The STEP was introduced to mobilise resources and channel funding from existing EU programmes, including the EU JTF programme, towards certain areas and sectors targeted for investment.
- 18.16** The EU regulation that established the STEP also made amendments to several other directives and regulations underpinning existing EU programmes.¹⁰ It widened the scope of the EU JTF to include support for projects falling within the artificial intelligence, cybersecurity and clean energy sectors.

⁷ Within the Department, the member state and accounting function teams are structurally independent.

⁸ Implementation issues encountered in respect of Action 2.2 included an inability, under applicable EU rules, to make advance payments to farmers, and delays in finalising the scope and completing call documents. For Action 3.3, legal advice was received stating that the Department of Transport could not carry out work on land not in public ownership, and there were concerns in relation to procurement and the capacity of chargers to be connected to the grid.

⁹ At the managing authority's discretion, up to 8% of the initial allocation of any priority, but no more than 4% of the total fund allocation, may be moved between priorities without a formal programme amendment.

¹⁰ [EU Regulation 2024/795](#), of February 2024.

Figure 18.3 Ireland's EU Just Transition Fund programme actions and budget allocations

Action ^a	Objective & focus	Intermediate body	Budget allocation	Priority
1.1: Economic diversification	Foster the economic diversification of the territory by supporting productive investments in micro-enterprises, SMEs, and economic stakeholders in key sectors.	Fáilte Ireland	€38 m	1. Generating employment for former peat communities by investing in the diversification of the local economy
1.2: Support for local and regional economic strategies	Support the implementation of bottom-up local and regional economic strategies.	Pobal (on behalf of Department of Climate, Energy and the Environment)	€29 m	
1.3: Bioeconomy demonstration initiatives	Research and development, and innovation activities contributing to the green and circular economy.	Department of Agriculture Food and the Marine	€20 m	
2.1: Peatlands restoration	Restoration and rehabilitation of degraded peatlands.	EMRA (no intermediate body)	€12 m	2. Supporting the restoration and rehabilitation of degraded peatlands and regeneration and repurposing of industrial heritage assets
2.2: Rewetting measures (deleted 2026)	Research, knowledge transfer and monitoring activities on rewetting measures and overall land management improvements for farmed peat soils.	Department of Agriculture, Food, and the Marine	€15 m	
2.3: Trails network	Regeneration and repurposing of industrial heritage assets.	Fáilte Ireland	€30 m	
3.1/3.2: Sustainable mobility	Decarbonisation of local bus routes and support for private bus operator electrification.	Department of Transport (National Transport Authority)	€3 m	3. Providing former peat communities with smart and sustainable mobility options to enable them to benefit directly from the green transition
3.3: Electric vehicle charging infrastructure (deleted 2026)	Installation of publicly available fast and high-powered charge point infrastructure including consultancy support and purchase of necessary equipment.	Department of Transport	€15 m	
4.1: Sustainable transition (added 2026)	Supporting a sustainable transition through climate action for a resilient territory (START).	Pobal (on behalf of Department of Climate, Energy and the Environment)	€30 m	4. Enabling a resilient and sustainable climate transition of the territory
Technical assistance ^b			€7 m	
Total			€169 m	

Source: Eastern and Midland Regional Assembly

Notes:

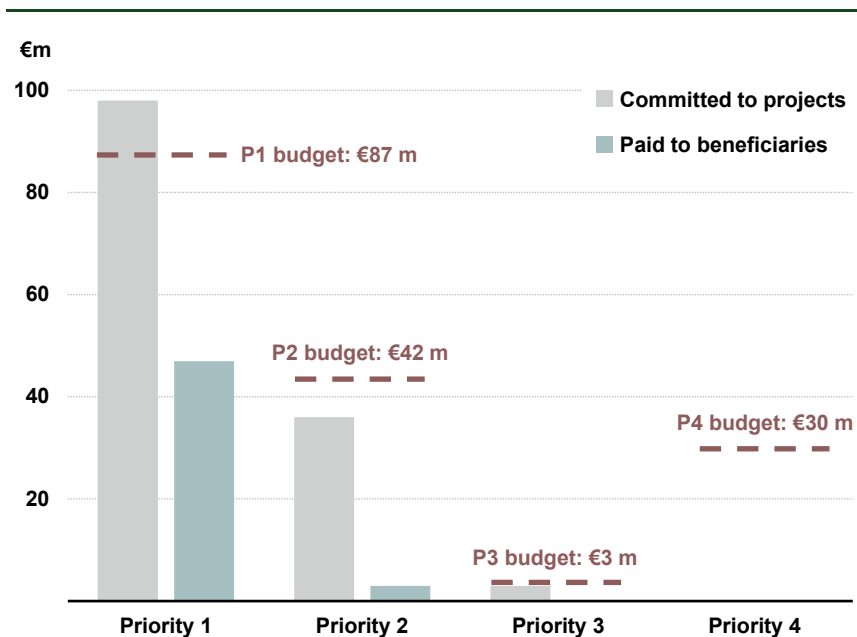
- a A programme amendment, approved by the European Commission in March 2026, removed Actions 2.2 and 3.3 and reallocated the associated budgets to a new Action 4.1.
- b Technical assistance funding (4% of the overall €169 million budget) is allocated for the effective administration and use of JTF funding, including for the capacity building of the partners as well as to provide financing for carrying out functions such as preparation, training, management, monitoring, evaluation, visibility and communication.

- 18.17** The establishment of the STEP did not result in any change to the overall funding available for delivery of the EU JTF programme in Ireland. However, it did allow for a one-off pre-financing payment from the EU. In that regard, EU JTF pre-financing of €25.34 million relating to the STEP was paid to Ireland in 2024.

Expenditure to date

- 18.18** Each priority was allocated a budget under the programme. Delivery timelines are established in the approved implementation plans for each action. EMRA, as managing authority, has granted extensions of up to six months for a small number of projects under Actions 1.1 and 1.2, to allow for full project delivery and submission of final claims. In addition, the end dates for Actions 2.1 and 2.3 have been extended by nine months and six months respectively to allow for works to be completed. The Department stated that EMRA has ensured that the extensions granted do not jeopardise full drawdown of the total EU funds available to Ireland.
- 18.19** A technical assistance budget of €6.8 million was allocated for administration of the programme.¹¹ Apart from that, funding of around €162 million is available for allocation to projects under the four priorities set for the EU JTF in Ireland.
- 18.20** In total, an amount of €173 million has been earmarked (but not necessarily committed) by the Department as follows
- €137 million committed to 174 projects under grant agreements
 - €30 million to be provided to local authorities under a closed funding call in respect of the new fourth priority adopted in March 2026
 - €6 million for projects for which grant agreements are currently under negotiation.
- 18.21** The current allocations to existing projects reflect an overcommitment by the Department of €11 million under Priority 1, offset by uncommitted sums under the other priorities (see Figure 18.4).
- 18.22** The Department stated that a decision to overcommit on the amount allocated under Action 1.1 was made by Fáilte Ireland (as intermediate body) based on its analysis of previous capital grant schemes and on its experience that a proportion of funded projects typically do not progress as expected. The intention was to mitigate against the risk of EU JTF financing not being drawn down in full. The Department stated that Fáilte Ireland would be obliged, if necessary, to honour any commitments in excess of the available EU JTF allocation.
- 18.23** As at the start of August 2026, €51 million had been paid out to beneficiaries by intermediate bodies.

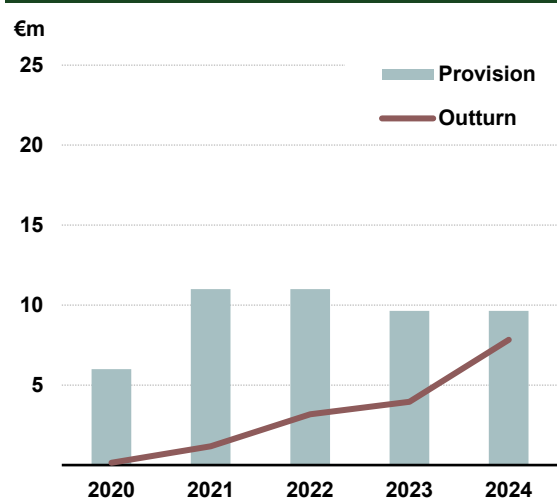
¹¹ Technical assistance, at a rate of 4%, is added to the eligible expenditure in each payment claim submitted.

Figure 18.4 Budgets, commitments and payments, by priority, to end July 2026

Source: Department of Climate, Energy and the Environment

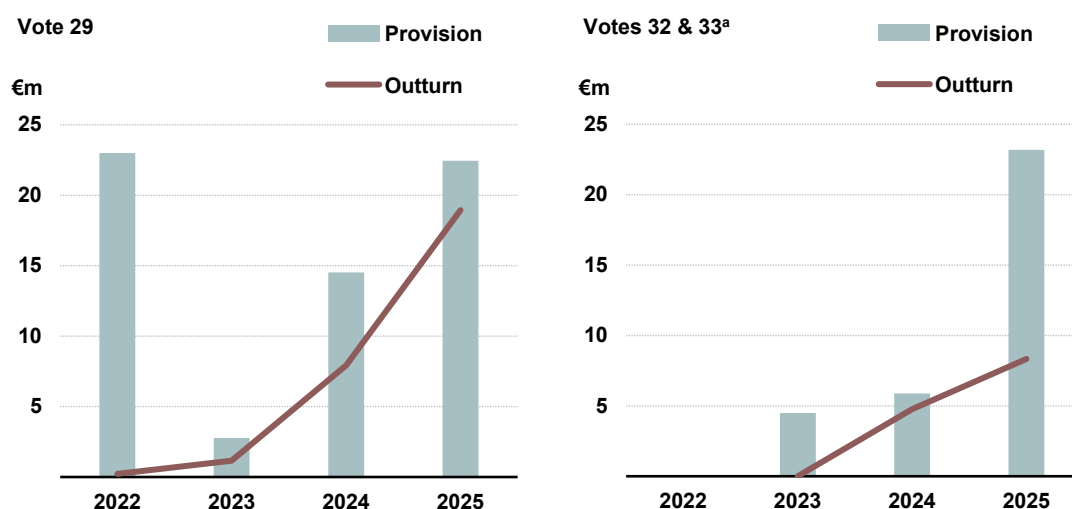
Annual vote outturns

- 18.24** EU JTF expenditure occurs under Vote 29 Climate, Energy and the Environment and in a number of other departmental votes. In 2025, the latter included Vote 32 Enterprise, Tourism and Employment, Vote 31 Transport and Vote 34 Housing, Local Government and Heritage. The transparency of JTF spending varies across votes. In some cases, standalone subheads have been used to identify the expenditure. In other cases, JTF spending has been combined with other voted expenditure.
- 18.25** The national Just Transition Fund (closed in December 2024) was funded entirely through Vote 29 Climate, Energy and the Environment. While the national Just Transition Fund was not subsumed into the EU JTF programme, both programmes were funded through the same subhead within Vote 29. Between 2022 and 2024, expenditure was being incurred on both programmes.
- 18.26** Delays in respect of the national Just Transition Fund resulted in significant underspends on the annual estimate provisions within Vote 29 (see Figure 18.5). The Department stated that the main causes of the annual underspends for the national Just Transition Fund were lower-than-anticipated demand from potential beneficiaries and slower-than-expected drawdown. In the end, a number of projects were unable to deliver on their goals, resulting on an underspend on the overall programme.
- 18.27** Underspends have also occurred within Vote 29 in respect of the EU JTF since it commenced in 2022 (see Figure 18.6).

Figure 18.5 National JTF vote provision and outturn, 2020 to 2024^a

Source: Department of Climate, Energy and the Environment

Note: a An amount of €144,601 paid from the Vote in 2021 was repaid by a project to the Exchequer in 2024.

Figure 18.6 EU JTF provisions and outturns, 2022 to 2025

Source: Department of Climate, Energy and the Environment; Vote 33 appropriation accounts 2023 and 2024; Vote 32 appropriation account 2025

Note: a Expenditure on tourism projects came under Vote 33 Tourism, Culture, Arts, Gaeltacht, Sport and Media in 2023 and 2024, and under Vote 32 Enterprise, Tourism and Employment in 2025.

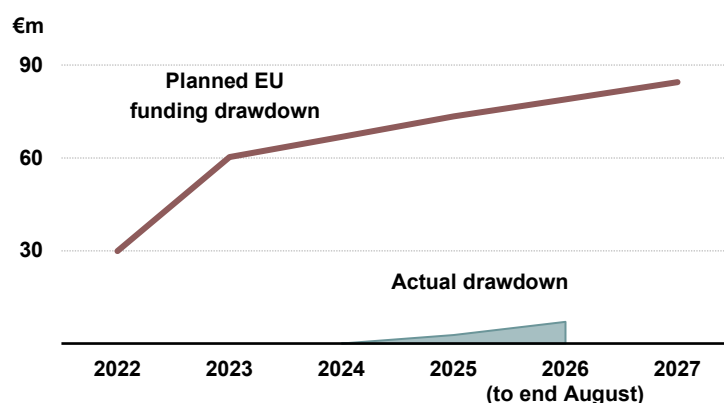
18.28 The Department has attributed the underspend in the first year of the EU JTF (2022) to late completion of the process for approval of Ireland's programme by the European Commission. The Department submitted the programme for approval in November 2022 and received approval in December 2022. The Department has stated that implementation delays for some of the actions have caused additional underspends in subsequent years.

- 18.29** Significant underspends have also occurred on other EU JTF spending votes. For example, in 2025, out of EU JTF funding of €23.2 million available from Vote 32 for tourism projects, expenditure of €8.3 million was incurred (see Figure 18.6). The shortfall of €14.9 million in that case is attributed to the inherent vulnerability of capital projects to delays including planning and procurement timelines, contractor availability and weather-related impacts.

Drawdown of EU funding

- 18.30** At the outset of the programme, forecasts were produced by EMRA in line with the partnership agreement between Ireland and the EU. The European Commission provided a spending profile for Ireland breaking down amounts by year. Based on that profile and through consultation with the intermediate bodies, a more detailed forecast budget was produced by EMRA.
- 18.31** Projections made by EMRA in 2023 anticipated that EU payment applications submitted by Ireland would amount to €16.8 million in 2024 and €42 million in 2025. In the end, no payment applications were submitted by Ireland to the EU in 2024 and eligible expenditure of just under €5.5 million (including technical assistance) was reported in a December 2025 claim. In line with the 50:50 co-funding agreement, an interim amount of just under €2.6 million in respect of the December 2025 claim was received by the Exchequer in February 2026.¹²
- 18.32** In January 2026, EMRA provided projections to the EU indicating that it expects payment applications to be submitted to the value of €37 million by the end of 2026 and another €37 million by the end of 2027. In May and July 2026, the Department submitted payment applications to the EU including eligible expenditure of €2.6 million and €5.9 million respectively. Payments in respect of both claims have been received by the Exchequer. The next payment application is due to be submitted in October 2026. The Department expects the October claim to be significant in drawing down the available 2026 funding.
- 18.33** As of the end of August 2026, the Department had drawn down a total of €7 million of the potential €84.5 million in EU JTF funding available to Ireland.¹³ Drawdown progress is significantly behind the financing plan prepared at the time of programme adoption in 2022 (see Figure 18.7).

Figure 18.7 Actual EU funding drawdown compared to 2022 financing plan



Source: Department of Climate, Energy and the Environment

¹² In accordance with Article 93 of [EU Regulation 2021/1060](#), of June 2021, the amount paid by the Commission represented an interim payment of 95% of the co-financed amount due to Ireland under the EU JTF.

¹³ The total amount received by the Exchequer to end August 2026 is €6.66 million i.e. 95% of the co-financed amount due.

Future funding commitments

- 18.34** Five times a year, EMRA submits projections to the European Commission of progress towards full drawdown of the funding available to Ireland.
- 18.35** As EU JTF spending and operational guidelines are governed by the 2021 – 2027 multiannual financial framework, the entire budget must be spent, claimed and verified by the end of 2029. Certain interim deadlines also apply, whereby a portion of the funding must be claimed to avoid decommitment by the EU.
- 18.36** In EU financial programming, the ‘n+3’ rule requires that funds allocated to a particular programme for a specific year (n) must be drawn down by the end of the third year (n+3) after the year of allocation. If the funds remain unused, the European Commission will automatically decommit that portion of the budget. The rule is amended to n+2 for the final programme year (i.e. 2027 for the EU JTF).
- 18.37** To avoid any decommitment of EU funding at the end of 2026, the Department will need to draw down a further €25.3 million before the end of this year (see Figure 18.8). As of July 2026, the Department and EMRA are projecting that total drawdown applications of €35 million (based on eligible expenditure of €70 million) will be submitted to the EU for 2026.
- 18.38** EMRA has identified potential risks to full drawdown of the available EU funds including
- underspend or non-achievement of targets by selected operations due to conclude in 2026, leading to the programme potentially falling short of the n+3 spending threshold for that year
 - lower-than-anticipated demand for funding under Action 4.1 of the programme.

Figure 18.8 Decommitment thresholds for EU JTF, 2025 – 2029^{a,b}

Year	Cumulative expenditure threshold	EU co-financed amount	Amount drawn down ^c	Balance to drawdown to avoid decommitment
	€m	€m	€m	€m
2025	4.8	2.4	2.7	—
2026	64.7	32.3	7.0	25.3
2027	77.7	38.9	7.0	31.9
2028	91.0	45.5	7.0	38.5
2029/close	169.0	84.5	7.0	77.5

Source: Department of Climate, Energy and the Environment

- Notes:
- a Some figures may not tot due to rounding.
 - b All figures in the table reflect technical assistance at 4% which is added to each payment application.
 - c For 2026 and subsequent years, the amount shown as drawn down to date is the amount that had been drawn down at the end of August 2026.

18.39 EMRA and the Department have stated that they consider the risk that available EU funds will not be drawn down in full to be low due to safeguards and contingencies implemented. The actions taken include

- removing two non-performing actions from the original programme in 2026 and reallocating their budgets to the new fourth priority, focussing on the climate transition and resilience of the EU JTF territory
- availing of the 'finance not linked to cost' reimbursement method prescribed by the Commission, whereby payments are released based on the completion of pre-defined work rather than reimbursing actual expenditure¹⁴
- overcommitting funds, where practical, to certain actions
- maintaining a reserve list of projects, for some actions, that funding could be diverted to, if necessary.

18.40 To combat the risk of non-drawdown of funds and to accelerate the submission of claims, EMRA

- closely monitors expenditure, claims and the rate of processing finances
- reviews the risk-based management and verification approach to free resources from checking lower-risk payments
- designs and implements accelerated and simplified drawdown mechanisms to reduce administrative burden and costs for beneficiaries
- assists intermediate bodies with identifying where contract extensions are viable, and for what volume of finances to encourage expenditure and claims wherever possible
- explores avenues to increase resourcing via recruitment, third-party supports and/or secondment.

Examination team site visits

18.41 As part of this examination, the team visited a sample of funded projects. The main aims of the site visits were to

- confirm how the system operates in practice
- talk to beneficiaries about their experience with the fund
- validate that funding received has been used for the intended purpose.

18.42 The examination team visited three project sites in Kildare, three in Laois and one in Roscommon. In all cases

- signed funding agreements specifying the maximum funding allocated and funding terms and conditions were made available to the team
- project locations matched signed funding agreements
- activities carried out on project sites matched project funding plans.

For all but one project, relevant signage relating to the project funding was on display and visible to the public.¹⁵

¹⁴ The 'finance not linked to cost' model is prescribed under Article 95 of [EU Regulation 2021/1060](#), of June 2021

¹⁵ EU JTF co-financed beneficiaries must display a plaque or other signage to inform stakeholders and the public of the EU JTF support.

Programme progress

- 18.43** There are no specific impact measures or indicators for EU JTF actions set under any of the relevant Votes in the annual estimates process. In 2024, the ‘number of projects supported’ under the JTF was adopted as an ‘output’ measure for Vote 29 Climate, Energy and the Environment.¹⁶ The Department has reported that the project support target set for 2024 was not achieved.¹⁷
- 18.44** The overarching objective for the EU JTF, as set out in the territorial programme for Ireland adopted in December 2022, is to
- “... enable regions and people to address the social, employment, economic and environmental impacts of the transition towards the Union’s 2030 targets for energy and climate and a climate-neutral economy of the Union by 2050, based on the Paris Agreement”.*¹⁸
- 18.45** The EU Commission provided a list of common metrics from which the EU JTF indicators could be selected. Where an indicator was not perfectly aligned with the EU JTF, the Department and EMRA had the option to design individual targets. All programme targets were designed through consultation with the European Commission, the Department, EMRA and the intermediate bodies.
- 18.46** The 2022 EU JTF programme for Ireland listed a number of output and result indicators for each of the three priority areas for investment identified in Ireland’s Territorial Just Transition Plan. For the output indicators, an interim or milestone target was set, to be achieved by 2024, as well as a final target for 2029. For the result indicators, a 2022 baseline value was provided, and a target was set for 2029.

Mid-term review of EU JTF

- 18.47** An assessment of the EU JTF programme in Ireland, carried out by the Department and EMRA under the mid-term review process, was adopted by the programme monitoring committee in December 2025.¹⁹
- 18.48** The mid-term review stated that “progress against key indicators has been generally positive, with some 2024 milestones exceeded but some others being behind schedule”.
- 18.49** Overall, the review found that significant progress had been made to date in programme implementation and that most actions were performing well and hitting milestones. However, it noted that due to significant implementation challenges encountered, Actions 2.2 and 3.3 were no longer feasible in the timeframe of the EU JTF. Those actions were formally removed from the programme in March 2026, and their budgets reallocated to a new Action 4.1.
- 18.50** The amended EU JTF programme for Ireland adopted in March 2026 listed output and result indicators and targets for 2029 for the new fourth priority.²⁰ It also revised the targets for some of the other indicators to reflect the removal of Actions 2.2 and 3.3 from the programme.
- 18.51** Annex 18A sets out the progress to end 2025 against the indicators set for each priority. Progress is measured against programme targets for 2024 and 2029. The table also includes EMRA commentary on progress to date in relation to each indicator.

¹⁶ The measure covered both the national Just Transition Fund and EU JTF projects in 2024. Since 2025, the measure relates exclusively to EU JTF projects.

¹⁷ [Revised Estimates for Public Services 2026](#) (see Vote 29).

¹⁸ [EU Just Transition Fund Programme 2021 – 27](#), adopted December 2022.

¹⁹ [EU Just Transition Fund 2021 – 2027. Mid Term Review](#), December 2025.

²⁰ [Amended EU Just Transition Fund Programme](#), adopted March 2026.

18.52 There are a number of issues with the performance measures and targets applied for the programme (see Annex 18A).

- Some of the metrics described as ‘output indicators’ are measures of activity rather than of output e.g. ‘number of enterprises supported’ under Priority 1 and ‘surface area of rehabilitated land supported’ under Priorities 2 and 4.
- Some of the targets for 2029 do not appear to have been sufficiently challenging as they were reported to have already been exceeded by the end of 2025 e.g. ‘jobs created in supported entities’ under Priority 1 and ‘rehabilitated land used for green areas, etc.’ under Priority 2.
- The targets for 2029 for ‘number of enterprises supported’ and ‘jobs created in supported entities’ under Priority 1 were substantially scaled back as part of the March 2026 programme amendment.
- The target for 2029 for ‘population covered by local or regional economic strategies supported’ under Priority 1 was increased as part of the March 2026 programme amendment but had already been achieved by the end of 2025.

18.53 In response to the above findings, the Department stated that the programme was originally designed effectively to be complete at the end of 2026 and that the targets need to be viewed in that context. It further stated that the targets for some indicators under Priority 1 were reduced as part of the mid-term review process to reflect a funding reallocation within that priority. It noted that the targets for some other Priority 1 indicators were increased to reflect the revised mix of activities.

Conclusions

18.54 The Just Transition Fund (JTF) programme in Ireland aims to avail of significant EU funding to assist communities in the Midlands region most negatively affected by the transition away from peat production and electricity generation from peat. €84.5 million is available from the EU in the budgeting period 2021 to 2027, to be matched with a further €84.5 million from the Exchequer.

Performance targets

18.55 The Department submitted a detailed JTF programme for Ireland to the European Commission in November 2022. This was adopted by the European Commission in December 2022.

18.56 The approved programme identified three priority areas, with three actions specified for each. Within the overall programme budget of €169 million, funding was allocated to each priority and action, and performance measures in relation to each priority with targets for delivery by end 2024 and end 2029 were included.

18.57 Following a mid-term review in 2025, two of the nine original actions, each with a budget of €15 million, encountered significant implementation challenges and were removed from the programme in March 2026. These resulted in the dropping of targets in relation to

- 10,000 hectares of land to be rehabilitated to support the protection and restoration of biodiversity and ecosystems, reduce greenhouse gas emissions and/or improve hydrological status
- the deployment of 60 public electric vehicle chargers that would each be used for a target 438 hours in a year i.e. 5% of active time per annum.

The programme amendment reallocated the available €30 million to a new fourth priority area.

Funding flows

18.58 The list of intermediate bodies appointed to oversee implementation of individual actions under the JTF programme includes Fáilte Ireland, Pobal, the Department of Transport and the Department of Agriculture, Food and the Marine. Because the programme is partly funded from the Exchequer, funding allocations are included in the relevant departments' annual Vote estimates and then paid on to their respective aegis bodies.

18.59 Overall, the funding picture is complex and diffused, with several vote accounts referencing JTF funding but no comprehensive account of the aggregate programme spend to date or the amount drawn down from the EU is presented. As a result, there is a lack of transparency about the progress of the programme.

18.60 On this point, the Department stated that the accounting function monitors and records all payment claims submitted to the European Commission and tracks the total funds received.

Expenditure to date

18.61 Significant allocations have been included within Vote 29 Climate, Energy and the Environment since the establishment of the national JTF in 2020. There have been repeated failures to utilise the funds provided due to implementation delays on the national JTF and subsequently on the EU JTF. Underspends have also occurred on other JTF spending votes since 2023.

18.62 As of August 2026

- €51 million had been paid to programme beneficiaries
- €14 million in eligible expenditure (including 4% technical assistance) had been reported in payment applications submitted to the European Commission
- €7 million in EU funding had been drawn down.²¹

²¹ The Exchequer had received 95% (i.e. €6.66 million) of this amount in interim payments from the Commission.

18.63 The level of EU funding drawn down to date is well behind projections made by EMRA in 2023 which had anticipated that almost €59 million would be claimed by the end of 2025.

- 18.64** The Department will need to draw down a further €25.3 million in EU funding by the end of 2026 to avoid an automatic decommitment of funding, under the 'n+3 rule'. Achieving this will require a significant acceleration on the rate of drawdown. Notwithstanding that, both the Department and EMRA remain confident that the €84.5 million EU funds available for JTF in Ireland will be drawn down in full.

Annex 18A Progress reported against JTF indicators, as at end 2025

Priority	Indicator [Type: Output/Result]	Measurement unit	Baseline ^a	Milestone target (2024)	Outturn (end 2025)	Original target (2029) ^b	Revised target (2029) ^b	Progress to revised 2029 target	Managing authority comment
JTF1 Generating employment for former peat communities by investing in the diversification of the local economy [Budget €87 m]	Number of enterprises supported (of which: micro, small, medium, large) [Output]	Enterprises	n/a	58	122	453	284	43%	On track to reach revised 2029 target.
	Enterprises cooperating with research organisations [Output]	Enterprises	n/a	8	12	16	Not revised	75%	On track to reach 2029 target.
	Local and regional economic strategies supported [Output]	Strategies supported	n/a	1	9	5	8	113%	Exceeded revised 2029 target.
	Jobs created in supported entities [Result]	Annual FTEs	—	n/a	161.50	109.25	62.50	258%	Exceeded revised 2029 target.
	SMEs introducing product or process innovation [Result]	Enterprises	—	n/a	117	266	Not revised	44%	On track, likely to reach 2029 target.
	SMEs introducing marketing or organisational innovation [Result]	Enterprises	—	n/a	10	16	Not revised	63%	On track, likely to reach 2029 target.
	Population covered by local or regional economic strategies supported [Result]	Number of inhabitants	—	n/a	553,337	292,301	553,337	100%	Achieved revised 2029 target.
JTF2 Supporting the restoration and rehabilitation of degraded peatlands and regeneration and repurposing of industrial heritage assets [Budget €42 m]	Surface area of rehabilitated land supported [Output]	Hectares	n/a	1,506	2,510	12,530	2,530	99%	Target reduced by 10,000 hectares to reflect the removal of Action 2.2. On track to reach revised 2029 target.
	Rehabilitated land used for green areas, social housing, economic or other uses [Result]	Hectares	—	n/a	1,067	130	Not revised	821%	Exceeded revised 2029 target. However, the National Parks and Wildlife Service (NPWS) does not expect all sites to proceed/complete.
	Rehabilitated land used to support the protection and restoration of biodiversity and ecosystems, reduce greenhouse gas emissions and/or improve hydrological status [Result]	Hectares	—	n/a	7,471	12,400	2,400	311%	Target reduced by 10,000 hectares to reflect the removal of Action 2.2. Exceeded revised 2029 target. However, the NPWS does not expect all sites to proceed.

Priority	Indicator [Type: Output/Result]	Measurement unit	Baseline ^a	Milestone target (2024)	Outturn (end 2025)	Original target (2029) ^b	Revised target (2029) ^b	Progress to revised 2029 target	Managing authority comment
JTF3 Providing former peat communities with smart and sustainable mobility options to enable them to benefit directly from the green transition [Budget €3 m]	Enterprises supported (of which: micro, small, medium, large) [Output]	Enterprises	n/a	12	12	12	Not revised	100%	Achieved 2029 target.
	Capacity of environmentally friendly rolling stock for collective public transport [Output]	Passengers	n/a	0	0	95	Not revised	0%	Target likely to be met, awaiting installation of bus routes.
	Alternative fuels infrastructure (refuelling/recharging points) [Output]	Refuelling/recharging points	n/a	16	2	62	2	100%	Both chargers installed relate to Action 3.1. Action 3.3 removed from programme — original target will not be met.
	SMEs introducing product or process innovation [Result]	Enterprises	—	n/a	2	4	Not revised	50%	Target unlikely to be met due to infrastructure constraints.
	Estimated greenhouse gas emissions [Result]	Tonnes CO ₂ equivalent per year	91.1	91.1	63.6	63.6	Not revised	100%	On track to reach 2029 target. Final result will depend on the bus size and model.
	Annual active usage time of newly installed EV charging points [Result]	Hours per year	—	n/a	n/a	438	n/a	n/a	Action 3.3 removed from programme — original target will not be met.
JTF4 Enabling a resilient and sustainable climate transition of the territory [Budget €30 m]	Public buildings with improved energy performance [Output]	Square metres	n/a	n/a	n/a	n/a	3,720	New	Action commenced in 2026.
	Surface area of rehabilitated land supported [Output]	Hectares	n/a	n/a	n/a	n/a	12	New	Action commenced in 2026.
	National and sub-national strategies addressing climate change adaptation [Output]	Strategies	n/a	n/a	n/a	n/a	6	New	Action underway with expressions of interest closed in March 2026.
	Annual primary energy consumption (of which: affordable and sustainable dwellings, public buildings, enterprises, other) [Result]	MWh/year	1,674	n/a	n/a	n/a	372	New	Action commenced in 2026.
	Estimated greenhouse gas emissions [Result]	Tonnes CO ₂ equivalent per year	378.8	n/a	n/a	n/a	84.9	New	Action commenced in 2026.
	Rehabilitated land used for green areas, social housing, economic or other uses [Result]	Hectares	—	n/a	n/a	n/a	12	New	Action commenced in 2026.

Source: [EU Just Transition Fund Programme 2021 – 27](#), adopted December 2022; [Amended EU Just Transition Fund Programme](#), adopted March 2026; EMRA

Notes: a For Priorities 1 – 3, the reference year for the baseline values is 2022. For Priority 4, the reference year is 2023 for two indicators and 2024 for the other one.

b The original target for each milestone is from the programme adopted in December 2022 and the revised target is from the amended programme adopted in March 2026.

19 Progress on delivery of forestry programme objectives

- 19.1** Forestry plays a critical role in meeting climate targets, supporting rural employment and providing a domestic supply of timber products. Well-managed forests contribute to biodiversity, water quality and protection of soil as well as providing a recreational amenity for communities.
- 19.2** There are over 800,000 hectares of forests in Ireland. This represents 11.6% of the total area of the State. This is well below the EU average afforestation rate of 38.3%. Half of the forest land in Ireland is in public ownership — mostly managed by Coillte — with the remaining land held by private landholders.¹
- 19.3** Since 2001, nearly all new planting (afforestation) has been on private lands. Exchequer-funded grants are provided to landholders to encourage afforestation. This funding is provided through a multiannual forestry programme that is managed by the Department of Agriculture, Food and the Marine (the Department).
- 19.4** In addition to funding for new forests, the forestry programme also funds the sustainable management of existing forests, encouragement of native woodland conservation and biodiversity, the building of forest roads (mainly for extraction of timber), and improvements in technology and training. The programme also supports the wood products sector.
- 19.5** In August 2023, the Department introduced a new five-year forestry programme for 2023 – 2027, with State aid approval from the EU.² The previous forestry programme ran from 2014 to 2022.^{3,4}

¹ Coillte is a commercial State body that manages approximately 440,000 hectares of State-owned land, of which around 90% is forest.

² European Commission State aid approval was required for the Exchequer assistance provided to enterprises via the programme.

³ This programme was examined in the *Report on the Accounts of the Public Services 2018*, chapter 10, [Forestry grants](#).

⁴ The forestry programme 2014 – 2022 commenced on 1 January 2015. It was originally intended to end on 31 December 2020 but was extended to 31 December 2022.

Focus of the examination

- 19.6** This examination was undertaken to review
- if the targets set in the forestry programme 2023 – 2027 are being achieved
 - if the previous forestry programme (2014 – 2022) achieved its objectives
 - whether the Department can provide evidence of the effectiveness of the programme.
- 19.7** The examination team interviewed staff from the Department, reviewed a range of documents, visited a number of forestry sites and reviewed a sample of payments to landholders.
- 19.8** The United Nations Sustainable Development Goals (SDGs) set out a vision and a blueprint to achieve a fairer and more sustainable future for all by 2030. Of the seventeen SDGs, six link directly or indirectly to areas in the Department's forest strategy. These SDGs were considered during the examination.

Strategic overview

- 19.9** Ireland's Forest Strategy 2023 – 2030 has a principal objective to urgently expand the national forest estate on both public and private land, and within that, has five core strategic goals. The strategic goals are: forests for climate; forests for wood; forests for nature; forests for people; and forests for economy and rural development.

Figure 19.1 Forest strategy goals, programme interventions and schemes^{a,b,c}

Interventions	Strategic goals				
	Climate	Nature	Wood	People	Economy and rural development
Forest creation					
Delivered through schemes aimed at expanding tree cover and strengthening carbon sequestration.	✓	✓	✓	✓	✓
An example includes the afforestation scheme (2025: €61 million).					
Reconstitution					
Delivered through the reconstitution ash dieback scheme (2025: €10.4 million).	✓	✓			
Infrastructure and technology					
Delivered primarily through the forest road scheme. Funding of €4.7 million was paid out in 2025.	✓	✓	✓		✓
Agroforestry					
Delivered primarily through the silvopastoral agroforestry scheme — a scheme where trees are combined with pasture. Premiums totalling €172,000 were paid out in 2025.	✓	✓			
Sustainable forest management					
Delivered through schemes such as the woodland improvement scheme (2025: €246,000) and the native woodland conservation scheme (2025: €397,000).	✓	✓	✓		✓
Skills and empowerment					
Delivered through initiatives such as the knowledge transfer and advisory service. (2025: €1.1 million).	✓	✓	✓	✓	✓
Climate resilient reforestation					
Delivered through climate resilience reforestation pilot scheme. There was no funding paid out in 2025.	✓	✓			
Open forest					
Delivered through initiatives such as the NeighbourWood scheme and NeighbourWood forest type. There was no new activity in 2025.		✓		✓	

Source: Department of Agriculture, Food and the Marine. Analysis by the Office of the Comptroller and Auditor General.

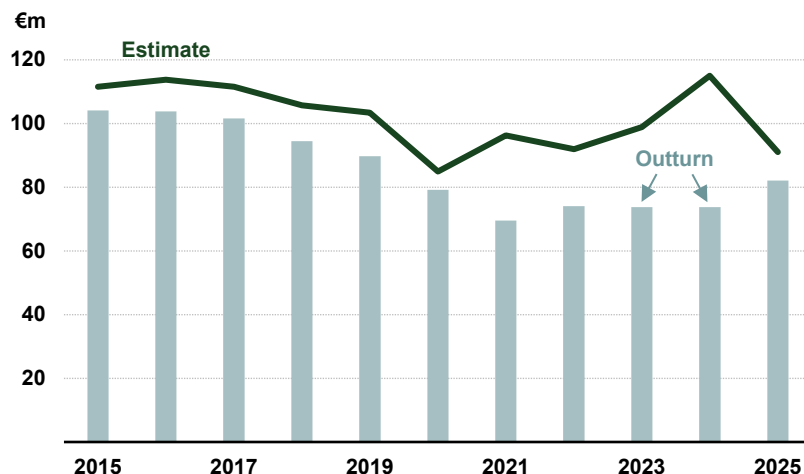
- Notes:
- a Schemes may be associated with more than one intervention. Expenditure disclosed is indicative and is not exhaustive.
 - b A list of programme schemes is set out in Annex 19A.
 - c The grant and premium rates available to landholders are [here](#).

- 19.10** The new forestry programme (the programme) runs from 2023 to 2027 and is considered the primary implementation mechanism for the forest strategy. The programme sets out eight broad objectives (or interventions) to meet the five goals of the strategy (see Figure 19.1).
- 19.11** Each of the interventions is intended to be delivered by one or more of the Department's forestry schemes. The schemes, *inter alia*, provide grants and annual premiums to landholders to establish and maintain forests and help with associated infrastructure and training. As each intervention addresses multiple strategic goals, it is not possible to link expenditure directly to each of the strategy's objectives.

Programme expenditure

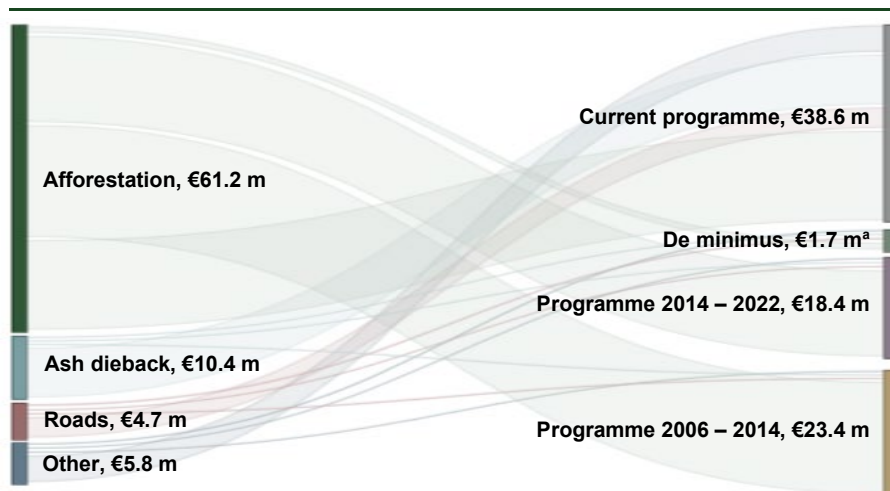
- 19.12** Over the period 2015 to 2025, the Department spent approximately €946 million on forestry schemes, with €82 million spent in 2025. There has been a consistent underspend in the Vote subhead during that period (see Figure 19.2). In the years 2021 – 2024 (inclusive), the underspend was in the range 20% to 36% a year.
- 19.13** In 2025, nearly all funding (93%) concerns schemes linked to afforestation, ash dieback reconstitution, or forest roads (see Figure 19.3). As most goals/interventions are concerned with the planting of new trees, afforestation schemes account for most of the programme expenditure (75%).
- 19.14** Because past programmes continue to pay landholders annual premiums, a significant portion of annual expenditure relates to carryover payments from past programmes. In 2025, expenditure of €41.8 million (approximately 50% of the total spent) related to previous forestry programmes.

Figure 19.2 Expenditure on forestry, estimate vs outturn, 2015 – 2025^a



Source: Department of Agriculture, Food and the Marine

Note: a Original estimate provision includes deferred capital funding.

Figure 19.3 Analysis of expenditure by programme and scheme, 2025

Source: Department of Agriculture, Food and the Marine. Analysis by the Office of the Comptroller and Auditor General.

Note: a Payments made to new entrants to the afforestation, forest road and reconstitution for ash dieback schemes between the end of the forestry programme 2014 – 2022 and the start of the current programme are called de minimus payments. They are included with the current programme expenditure elsewhere unless otherwise stated.

Programme targets

- 19.15** There are over 40 measures offered through a number of schemes operating within the forestry programme. This report focuses on the target achievement of the three categories with the biggest spend in 2025.

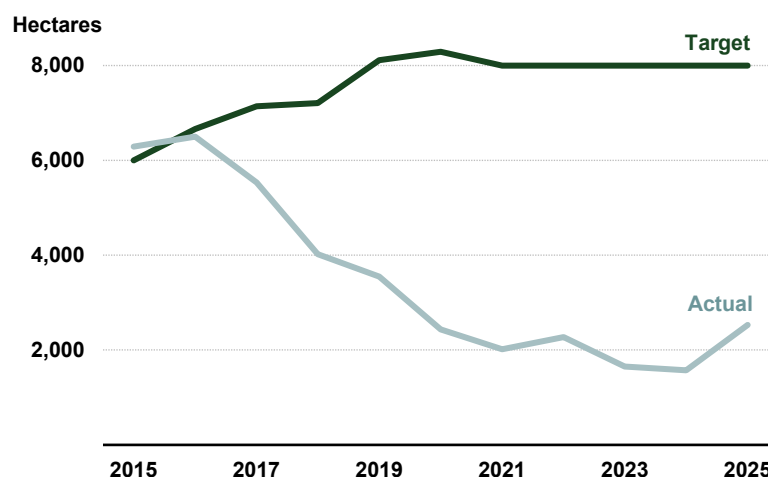
Afforestation schemes

- 19.16** The forestry programme notes that increased afforestation will help Ireland meet its national emission reduction obligations while increasing incomes on most farming systems. Afforestation schemes are designed to incentivise landholders to plant and manage trees in a way that enhances and protects the environment and the production of timber. The schemes do this by assisting landholders with the initial cost of afforestation and providing annual premiums. Once land is forested, the intention is that it remains under forest cover indefinitely.⁵
- 19.17** The current programme encourages farmers to use the schemes by increasing the number of years a premium is payable to 20 (from 15) for qualifying farmers. As a result, farmers receive five extra years of payments compared to non-farmer investors.
- 19.18** The forest strategy implementation plan has a target to increase the amount of land afforested from 11.6% in 2023 to “18% cover in the long term and beyond 2030”. To achieve this level of forest cover by (say) 2050, additional planting of 16,000 hectares a year would have to be achieved. The Department’s current target for net additional planting is 8,000 hectares, at which rate it would take at least 50 years to reach the Department’s 18% ‘long-term’ target.

⁵ Replanting must occur within two years of felling.

- 19.19** In practice, the number of hectares planted annually has fallen significantly short of the target (see Figure 19.4). Although the target was exceeded marginally in 2015, each subsequent year saw a very substantial shortfall. Despite a noticeable up-tick in the level of planting in 2025, a shortfall of 68% of target was recorded (2,527 hectares planted vs 8,000 hectares).

Figure 19.4 Hectares afforested in year, target against actual

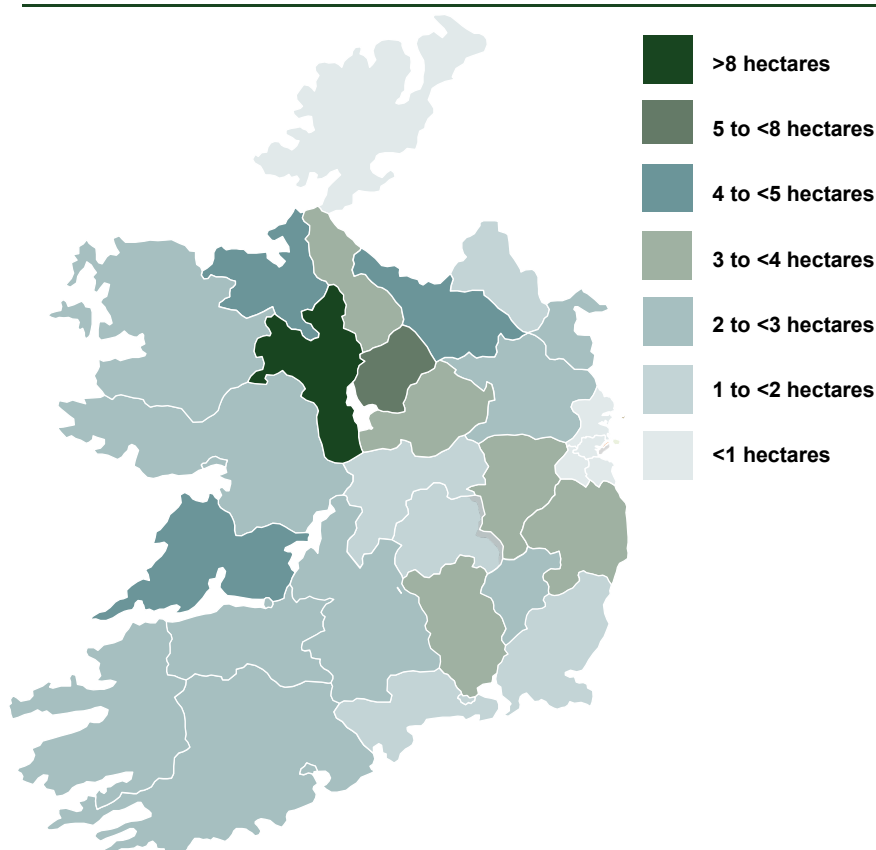


Source: Department of Agriculture, Food and the Marine. Analysis by the Office of the Comptroller and Auditor General.

- 19.20** The Department stated that the 8,000 hectares target is an ambitious one linked with targets included in the Climate Action Plan.⁶ The schemes operated by the Department are demand led and afforestation is a voluntary, complex land use choice for landowners with a range of considerations to be addressed before commitment to plant. The Department is working to develop a stronger understanding of landowner motivations, behavioural barriers and stakeholder engagement dynamics, which it considers to be critical to the success of afforestation programmes.
- 19.21** Before the end of each year, the Forestry Division submits spending proposals to the Department's Finance Division as part of the estimates process. For 2026, the Forestry Division submitted spending proposals to the Finance Division based on three demand scenarios. The scenarios were based on afforestation levels of 3,000, 4,000 or 5,000 hectares in 2026. The Finance Division chose to provide funding in line with the expected demand level of 3,000 hectares. This was based on analysis of expected planting year on year as well as the rate of applications received and area approved under the afforestation schemes.
- 19.22** Figure 19.5 analyses the relative intensity of afforestation for each county since the commencement of the programme. The map shows the average number of hectares afforested, from 2023 to 2025, per 10,000 hectares in the county. There was a significant divergence in activity between counties.

⁶ This target is linked with the State's Climate Action Plan which includes the target of 8,000 hectares of forest land annually as part of the country's carbon offset.

Figure 19.5 Average afforestation activity by county 2023 – 2025, hectares planted per 10,000 hectares in county



Source: Department of Agriculture, Food and the Marine. Analysis by the Office of the Comptroller and Auditor General.

- 19.23** The average size of a forest plantation has declined over recent years. The average size of a new forest site was 7.5 hectares in 2022, falling to 5.5 hectares in both 2023 and 2024, and 5.2 hectares in 2025. Increasing the average area of forest plantations was a target in the last forestry programme: this was intended to improve economies of scale and management efficiency, particularly for harvesting and timber marketing. The new programme does not include a target for average size of plantation.

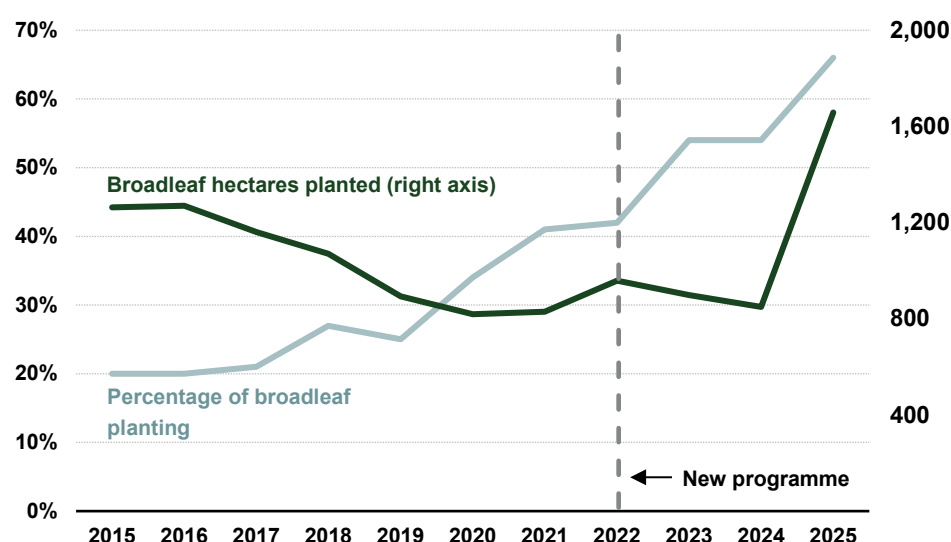
Broadleaves and native trees

- 19.24** Broadleaf and native tree plantations are generally accepted as leading to higher levels of biodiversity than conifer plantations. With a wider mix of tree species, these forest types have a more varied structure that also allows natural ground flora to thrive. However, according to the Department, as broadleaf trees are slower growing, and there is no established substantial market in Ireland for the hardwood logs they potentially yield, they are generally less economically productive.

19.25 The programme provides higher rates of payment for broadleaves to compensate landholders for the lower/late financial returns and higher maintenance costs compared to faster-growing conifers. For example, a farmer planting a native tree forest would receive €28,804 per hectare over their entire payment term (i.e. the total grant and premium payments over 20 years), while the owner of a mainly spruce forest (i.e. 80% conifer, minimum 20% broadleaves) would receive €18,778 per hectare — 35% less. The Department has stated that in most cases, landowners plant a mix of broadleaves and conifers.

19.26 The programme sets a target of 50% for the proportion of trees that are planted that are broadleaves. This is an increase in target from 30% under the previous scheme. During the period of the previous scheme, the proportion of broadleaf planting achieved was 25%. Figure 19.6 shows the number of hectares and proportion of trees planted in the year 2015 to 2025 that were broadleaves. In 2025, broadleaf planting levels increased significantly to over 1,600 hectares, representing 66% of trees planted.

Figure 19.6 Annual planting that is broadleaves, 2015 – 2025



Source: Department of Agriculture, Food and the Marine

19.27 The new programme introduced restrictions on the afforestation of organic soils, for example prohibiting planting on peat soils with depth greater than 30 cm. The Department noted that by reducing the planting of conifer trees on organic soils, the share of broadleaf plantings has increased.

19.28 The programme also introduced a new scheme — the native tree area scheme — that allows landholders to plant native trees on smaller plots (between 0.1 and 1 hectare of land). This is a change in approach as the previous programme encouraged larger plantations. These small plots are exempt from the standard forestry licensing process and pay landholders the premiums over a shorter period.⁷ This has reduced the time and cost for the landholders to apply to plant trees.

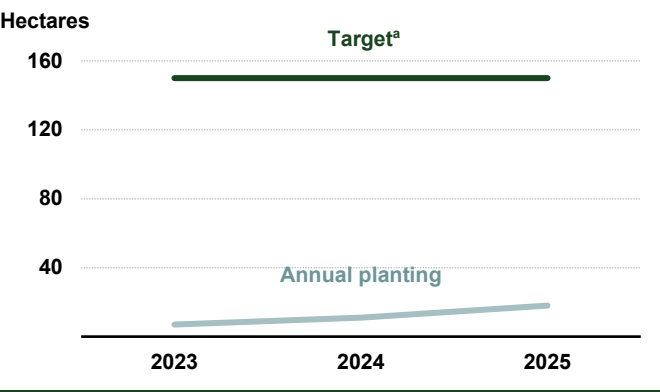
⁷ The native tree scheme pays landowners the same total premiums over 10 years rather than 20 years.

19.29 The Department stated that this scheme is designed to re-engage landowners with afforestation and only land that has been used for agricultural purposes is eligible for consideration. Landholders are actively encouraged to plant at whatever scale is appropriate for their circumstances and land. Requests to plant larger areas may be approved through the afforestation scheme 2023 – 2027.

Forest creation on public lands

19.30 In 2020, the Department launched the woodland creation on public lands scheme.⁸ The goal of the scheme is to encourage public bodies to establish new native forests on land they own and control. The goal of using public lands to increase forest cover was included in the 2020 Programme for Government, which sought to “embark on an ambitious programme of afforestation on State-owned lands”. However, actual planting has fallen far short of the Department’s target of 150 hectares per annum (see Figure 19.7). From 2023 to 2025, the average planting was 12 hectares per annum.

Figure 19.7 Planting on public lands, 2023 – 2025



Source: Department of Agriculture, Food and the Marine

Note: a The target was set out in the cost-benefit analysis published by the Department.

19.31 Public bodies are informed of the scheme through direct engagement with the Department, including presentations, webinars and bilateral meetings with local authorities, State agencies and other public bodies. Guidance and information are also provided through the Department’s website and scheme documentation.

19.32 Of the 2025 output, over half (56%, or 10 hectares) of the planting was on land owned by Irish Water, resulting in first establishment grant payments to Irish Water of €76,000.⁹

19.33 In 2025, the Department did not use the scheme for any of the lands under its own control. However, it indicated that, in 2026, it is actively investigating potential sites for new forests.

19.34 In 2025, the Department carried out an analysis of lands in public ownership that could be suitable for afforestation. It identified over 90,000 hectares in public ownership using the PRA State Assets dataset.¹⁰ The Department further analysed the data using its ‘forestry opportunities map’.¹¹ This excluded land that was not suitable for afforestation due to its location, land quality, ecological impact or environmental factors such as being prone to flooding. Ultimately, the Department identified 30,000 hectares with potential suitability for afforestation.

8 The name of the scheme changed to ‘forest creation on public lands’ after the publication of the forestry programme. Due to changes in State aid rules, public bodies are now eligible to receive grants and premiums for planting under all forest types within the afforestation scheme if they can demonstrate that the relevant scheme requirements are met.

9 The first establishment grant for the afforestation scheme covers 75% of the total grant costs, including operational expenses for ground preparation, drainage, fencing and the initial planting of trees.

10 See [PRA State Assets](#) (Land Development Agency, 2023).

11 The forestry opportunities map is a geospatial mapping tool developed by the Department. It provides high-level guidance to help landholders and foresters identify land suitable for planting forests.

- 19.35** In July 2025, the Department wrote to 82 public bodies (including local authorities, government departments, education and training boards, State agencies and semi-State bodies) to provide them with details of the scheme. The Department stated that 33 entities subsequently engaged with the Department, and many public bodies did not engage on the basis that the land identified was set aside for other purposes (e.g. unused lands planned for housing by local authorities). As at July 2026, 16 public bodies had either submitted applications or confirmed their intention to submit applications under the forestry programme.
- 19.36** Based on the information submitted to the Department, these applications represent a combined area of approximately 338 hectares. The Department expects this figure to increase as additional organisations progress through the various stages of the process.

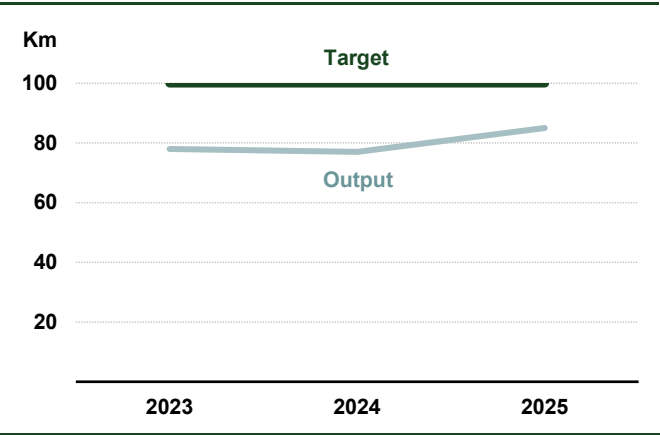
Maintaining forest cover

- 19.37** Under the Forestry Act, landholders must apply for a licence when felling trees and the licence may include a condition requiring the replanting of the trees. When the Department issues a felling licence, it requires landowners to replant the area within two years.
- 19.38** In 2025, 157 instances of alleged illegal felling were reported — 41 of which were identified as a result of the Department's own monitoring processes. There were two prosecutions and three replanting orders made. In 2024, there were 138 investigations, three prosecutions and 14 replanting orders made.

Forest road scheme

- 19.39** To maintain and harvest forests in a sustainable and efficient manner, access to and within the forest is required. For example, the construction of forest roads allows machinery the access required to thin and harvest trees. Significant construction costs are associated with the building of forest roads.
- 19.40** The forest road scheme provides financial support to landholders to help cover the costs of constructing this infrastructure. To qualify, projects must meet environmental standards to protect water quality and local habitats, ensuring that the increase in industrial access does not compromise the forest's ecological integrity.
- 19.41** The scheme aims to increase the density of forest roads to 25 metres per hectare to facilitate sustainable harvesting and management. As of 2025, the grant rate was €66 per linear metre (equivalent to €66,000 per linear km). In 2025, expenditure on forestry roads was €4.7 million.
- 19.42** The programme set a target of 100 km of forest road construction per annum. As shown in Figure 19.8 there was a shortfall in activity annually and the target has not been met.

Figure 19.8 Forest roads target versus output 2023 – 2025



Source: Department of Agriculture, Food and the Marine. Analysis by the Office of the Comptroller and Auditor General.

Reconstitution schemes

- 19.43** Reconstitution schemes are designed to help landholders restore forests lost to natural causes. These grants typically cover the cost of clearing debris and replanting sites damaged by events like storms/windblow, or pest and disease outbreaks such as *Chalara* ash dieback. The forestry programme has a target of 700 hectares per annum for total area reconstituted.
- 19.44** The Department grant aided approximately 16,000 hectares of ash plantation from 1990 to 2012. Following the discovery of ash dieback in 2012, the planting of ash ceased.¹² In 2013, the Department introduced a reconstitution scheme for ash forest owners. Up until 2023, almost 2,000 hectares were reconstituted under ash dieback schemes.
- 19.45** In May 2024, the Department launched the ash dieback action plan. Although the programme set a target of total reconstitution of 700 hectares per annum, the goal of the plan is to reconstitute all affected ash forests by the end of the current forestry programme in 2027. In 2025, 1,499 hectares (2024: 959 hectares) were reconstituted indicating a significant increase in replanting of ash plantations compared to previous years. However, a further output of around 11,500 hectares reconstituted in 2026 – 2027 is required to meet the goal. This indicates that the annual target is not consistent with achievement of the overall strategic objective.
- 19.46** Landholders who qualify for the scheme receive a clearance grant of €2,000 per hectare and a reconstitution grant for the forest type they choose to replant. In August 2024, the Department launched a new payment for forest owners impacted by ash dieback.
- 19.47** A climate action performance payment (CAPP) of €5,000 per hectare was introduced to be paid to anyone who had replanted their forest and received an ash dieback reconstitution payment. Reconstitution payments cover the costs associated with the process of removal and replanting. CAPP payments incentivise landholders to engage in the reconstitution process. In 2025, €3.4 million was paid in climate action performance payments.

¹² Ash dieback is a serious fungal disease of ash trees, leading to leaf loss, branch dieback, and often tree death.

Other schemes and promotion

- 19.48** In 2026, the Department launched a reconstitution scheme for windblown trees. This is a financial support initiative to assist private forest owners in restoring plantations destroyed by Storm Darragh (December 2024) and Storm Éowyn (January 2025). With an estimated 26,050 hectares of forest damaged nationally — approximately 13,000 hectares of which is in private ownership — the scheme provides up to €55 million in funding to replant cleared areas.
- 19.49** The scheme opened for applications on 15 April 2026. The grant is available for sites that were not insured for reconstitution and have suffered at least 20% damage.¹³ Payments are structured in two instalments: 75% following initial replanting and the remaining 25% after four years, with rates varying from approximately €3,858 to €6,744 per hectare. The rates vary depending on the tree species used — the landholders can replant any tree species that is appropriate to the soil and conditions of the site.
- 19.50** The Department operates the climate resilient reforestation scheme and woodland improvement scheme to maintain or replant existing forests with the aim of enhancing soil, water quality and biodiversity. The programme set an annual target of 525 hectares of activity for the climate resilient reforestation scheme. In 2025, applications for almost 400 hectares were submitted.
- 19.51** The programme set a target of €850,000 of expenditure annually on promotion and €300,000 annually on training, with a further €350,000 for continuous professional development. Total expenditure for the three areas was exceeded in 2023 to 2024 with costs averaging €1.9 million a year. In 2025, expenditure on promotion and training (including knowledge transfer) amounted to €2.1 million. As the programme is demand led, the Department stated that making potential forest owners aware of the schemes and providing them with the knowledge and skills to maintain a forest is important to increase land afforested. To assist in doing this the Department has a forestry communications and engagement section. Its purpose is to improve the annual uptake of forestry schemes, and it does this through numerous communications activities. The Department stated that the section does significant work and reviews the outputs of its activities monthly.
- 19.52** The NeighbourWood forest type (part of the afforestation scheme introduced in September 2023) and the NeighbourWood scheme (introduced in March 2025) aim to develop social, cultural and heritage forests near urban areas to improve public access and quality of life. No new planting occurred in 2023, 2024 or 2025.

Progress monitoring

Operational monitoring

- 19.53** In 2023, the Department established a cross-divisional forest strategy implementation group to ensure the actions and objectives of the strategy are met. Meetings were held weekly and attended by heads of divisions, officials from each administration area, as well as technical staff (e.g. inspectorate staff). The actions listed in the forest strategy implementation plan were reviewed and updated as part of the agenda.¹⁴

¹³ While insurance for windblow is generally available to forest owners, it is not mandatory when availing of payments from the Department.

¹⁴ An action list tracker is available on the Department's website.

- 19.54** In April 2026 the implementation group was replaced with seven cross-divisional working groups to focus on specific topics.

Strategic monitoring

- 19.55** In 2023, the Department set up the forest strategy consultative committee. It comprises representatives from, *inter alia*, the Department, An Taisce, Teagasc, Coillte, the Environmental Protection Agency (EPA), the Irish Farmers' Association, the Irish Green Building Council and the Irish Timber Growers Association. The consultative committee meets quarterly, and members have also attended workshops to engage on the forestry programme as requested.
- 19.56** The consultative committee's terms of reference state that it is responsible for monitoring the progress of the implementation plan and ensuring a successful outcome and delivery of the objectives of the forest strategy. The consultative committee
- receives updates from the Department on the implementation of the objectives and deliverables of the programme
 - receives feedback from stakeholders to provide to the Department. For example, in December 2024 members raised the issue of the Department developing key performance indicators (KPIs) to measure the effectiveness of forestry promotion activities.
- 19.57** The Department may also establish specific programme groups if it considers it necessary. For example, an ash dieback taskforce was set up in May 2024. It meets quarterly and was set up to ensure the 'swift implementation' of the ash dieback action plan.

Key performance indicators

- 19.58** In December 2024, the Department developed 16 KPIs to track and report on the overall progress in implementing the forest strategy.¹⁵ Reports on progress against the KPIs are published across eight different sources at varying intervals. Seven of the KPIs are expressed as quantified measures, while nine are presented as trend-based measures.
- 19.59** Six of the KPIs are reported on in the Forestry Division's annual statistics report. This report also contains more detailed reporting on each of the schemes' targets. It also references other KPIs that are reported on by other bodies (e.g. timber production is reported on by the Central Statistics Office but is referenced in the annual statistics report after the data has been published).
- 19.60** Figure 19.9 details the 16 KPIs and the examination team's assessment of the progress in meeting targets relevant to the KPIs. The Department's KPI document requires the Department to publish an annual report on the KPIs. However, no annual KPI report was published in 2025.

¹⁵ [Ireland's Forest Strategy \(2023 – 2030\). Key performance indicators.](#)

Figure 19.9 Key performance indicators — progress as at 31 December 2025

	Key performance indicator	Annual target	Output ^a	Reporting frequency	On target?
1	Total national forest area (target 18% in the long term, beyond 2030)	Not defined	2,527 ha	Every five years	No
2	Annual afforestation area (ha)	8,000 ha	2,527 ha	Annual	No
3	Broadleaf species in new forests	50%	66%	Annual	Yes
4	Forest licences processed in line with the Farmers' Charter of Rights	100% within 9 months	78% ^b	Annual	No
5	Annual uptake of forestry schemes (number) ^c	Increasing	Decrease in approvals between 2024 and 2025	Annual	No
6	Cumulative expenditure of €628.6 million on the forest programme 2023 – 2027	€125.7 million ^d	€76.4 million	Annual	No
7	Area of forests certified under voluntary certification scheme	Positive trend	Increase between 2024 and 2025	Annual	Yes
8	Biotic and abiotic damage to forests by severity of damage (%)	Positive trend	Slightly negative	Every five years	No
9	Forest carbon stocks (MtCO ₂ e)	Positive trend	Increase between 2023 and 2024	Annual	Yes
10	Carbon stored in harvested wood products	Positive trend	Decrease between 2023 and 2024	Annual	No
11	Percentage of Coillte estate managed for nature by 2025	30%	30%	Annual	Yes
12	Woodland habitat status (status change)	Positive trend	Slightly worse	Every six years	No
13	Volume of roundwood and roundwood biomass removed from forests in Ireland (m ³)	Double sustainable timber production by 2035 (2 million tonnes)	Increasing	Annual	Yes
14	The value of the forest sector to gross value added (GVA) and gross domestic product (GDP) (€)	Positive trend	Increase between 2022 and 2023	Annual	Yes
15	Impact of forestry on the labour market (numbers employed)	Positive trend	Decrease between 2010 and 2020	Every five years	No
16	Forests managed for recreation (number of sites)	Positive trend	No change between 2023 and 2024	Annual	No

Source: Department of Agriculture, Food and the Marine

Notes: a The output relates to 2025 unless otherwise stated.

b Percentage of live applications on hand that were 9 months or older as at 6 February 2026.

c The assessment is made on the basis of the number of approvals made.

d An annual target is not set by the Department. The target included is calculated by the examination team on a straight-line basis to inform an assessment of whether progress is on target.

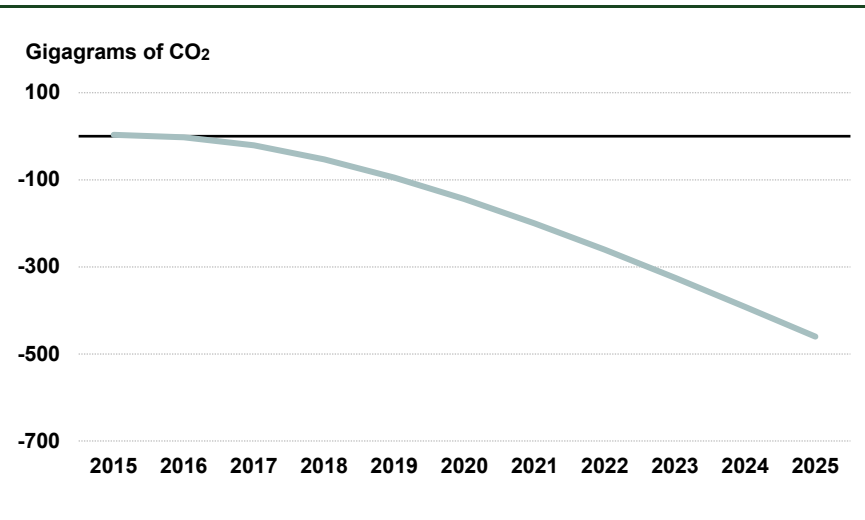
Climate goals

- 19.61** Forests and forest products play an important role in mitigating climate change by sequestering and storing atmospheric carbon dioxide. Sequestration is the net removal of carbon from the atmosphere and its storage in plant biomass, deadwood and harvested wood product pools. Sustainably managed forests are a net absorber of carbon. However, unmanaged and degrading forests eventually become a net emitter of carbon back into the atmosphere.
- 19.62** One of the KPIs of the forest strategy is the amount of carbon stored in the national forest estate.¹⁶ The Department reports and accounts for the carbon sequestered in the total forest estate annually through its submission to the EPA’s national greenhouse gas inventory report. The target for this KPI is a trend-based one i.e. the aim is to increase the rate of sequestration.

Annual carbon sequestered annually

- 19.63** The Department estimates that, in 2025, around 460.3 gigagrams of CO₂ equivalent was removed from the atmosphere as a result of the afforestation since 2015 — 454 gigagrams from the previous forestry programme and 6.3 gigagrams from the current programme (see Figure 19.10). This is the equivalent of the CO₂ generated through burning almost 1.1 million barrels of oil.¹⁷ Using the 2024 shadow price of CO₂ of €322 per tonne, the value of the CO₂ equivalent sequestered was around €148 million.
- 19.64** Comparing the estimated greenhouse gas emissions data over year 1 to year 18 of both programmes, it is unlikely that the current programme will achieve results similar to those of the previous programme (see Figure 19.11). Around four times more carbon is expected to be sequestered in year 18 of the previous programme. Based on the projected data, the current programme will fall significantly short in its achievement of CO₂ sequestered unless there is a substantial increase in the number of hectares afforested for the remaining years of the programme.

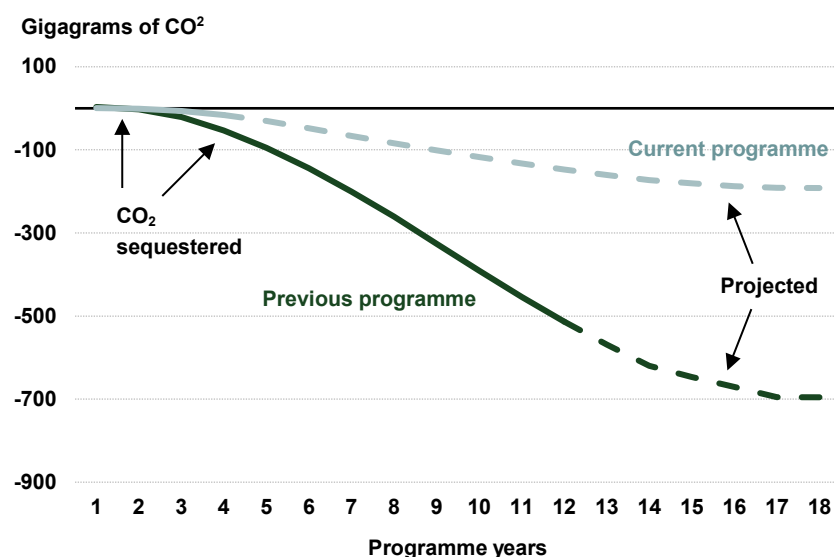
Figure 19.10 Estimated annual carbon dioxide equivalent sequestered, 2015 to 2025



Source: Department of Agriculture, Food and the Marine

16 See KPI number 9 in Figure 19.9: forest carbon stocks (MtCO₂e).

17 430kg of CO₂ is equal to a barrel of oil. See the EPA’s [greenhouse gas equivalencies calculator](#).

Figure 19.11 Estimated annual carbon dioxide sequestered from start of each programme, and projected (year 1 to year 18)^a

Source: Department of Agriculture, Food and the Marine

Note: a The forecast for the current programme is based on continuing the trend of planting based on the average planting in 2023 to 2025. The forecast for the previous programme is based on the trees actually planted during the programme.

Economic basis for the programme

- 19.65** In November 2022, the Department carried out a cost-benefit appraisal of the afforestation schemes and the forest roads schemes. A cost-benefit appraisal was required by the *Public Spending Code* and for EU State aid approval.

Afforestation

- 19.66** The analysis was carried out on the nine forest types proposed for the afforestation scheme and calculated a benefit-to-cost ratio for each forest type.¹⁸ The analysis included the shadow price of carbon as required under the *Public Spending Code*. The overall result was an estimated benefit-to-cost ratio of 1.87:1. This indicated that the expected benefits — in terms of timber revenues, and the value of carbon sequestration and of reduced carbon emissions from agriculture and recreation — outweighed the costs of grants and premiums.
- 19.67** Similar to the previous programme, the tax treatment of forestry was not included in the analysis. In the forestry programme, revenue and capital gains are exempt from tax. The tax forgone was not included as a factor during the analysis of the cost of the programme.

¹⁸ The analysis referenced the 12 forest types proposed for the afforestation scheme. Three of the smaller schemes did not have a benefit-to-cost ratio calculated due to the lack of appropriate growth models and/or reliable estimates of the benefits accruing from these forest types.

- 19.68** The analysis also stated that it did not attempt to quantify the benefits of biodiversity due to the absence of a framework to translate biodiversity value into monetary terms. The omission of biodiversity as a factor led to schemes with faster-growing, commercial trees (e.g. Sitka spruce) receiving a higher benefit-to-cost rating than the native or broadleaves schemes. As a result of the omission, some native tree and broadleaves schemes were calculated to have a negative benefit-to-cost ratio, for example forest for water 0.65:1, emergent woodland 0.87:1, and broadleaf birch 0.94:1. The Department stated that this did not have a negative impact, as the level of broadleaf afforestation has increased during the current programme.

Forestry roads

- 19.69** The analysis of the forest road scheme calculated a substantial benefit-to-cost ratio of 9.14:1, indicating that benefits, in terms of timber revenues, outweigh the costs of road grants and carbon emissions. Additional benefits accrue in terms of employment from road construction and the harvesting of the 11.08 million m³ of timber accessed.

Assessing effectiveness

Forestry programme 2014 – 2022

- 19.70** The *Public Spending Code* required the Department to complete and publish a post-programme review of the forestry programme 2014 – 2022 after it had ended. The Department completed a review in early 2022, before the programme ended. The review was not published.
- 19.71** The review focused on the programme's four high-level objectives
- to increase the level of forest cover
 - to increase supply of forest-based biomass to bridge an expected supply gap by 2020 and beyond
 - to support private forest holders in actively managing their forests
 - to enhance the environmental and social benefits of new and existing forests.

Increase the level of forest cover

- 19.72** The review reported a shortfall of 41% (21,000 hectares) on the target level of afforestation during the period of the programme. There was also a shortfall of 20% in the level of broadleaves planted when compared to the target.
- 19.73** The review identified several reasons for the shortfall in afforestation activity. These included
- replanting obligations and the permanent change in land use
 - delays in issuing afforestation, forest road and felling licences along with the burdens that the regulatory framework imposes
 - supports for the establishment of non-productive forests offered by the Department were not economically attractive

- the negative public perception of forestry — all licence applications are subject to third-party public consultation and appeal, and the negative perception can discourage landholders from applying
- Coillte did not engage in any new afforestation during the programme.

19.74 The Department stated that the review led to improvements in the licencing process which has reduced the delay in issuing licences.

Increase supply of forest-based biomass

19.75 The forestry for fibre scheme was introduced to allow landholders to plant eucalyptus and other fast-growing species for firewood. There was very little uptake for the scheme. The review indicated that the promotion of the scheme to landholders and the training available for registered foresters may not have been sufficient. This scheme is no longer available.

Support active management of forests

19.76 The report noted that forest roads built in the plan period represented just over two-thirds (68%) of the target — a shortfall of around 259 km of roads. Prior to 2020, forest owners required planning permission from local authorities where the proposed forest road joined a public road. The review noted the requirement to obtain planning permission may have impacted the scheme's take up.

Department's assessment of effectiveness

19.77 The review did not conclude on the effectiveness of the programme. The Department stated that the findings from the review of the 2014 – 2022 forestry programme were reflected in the new programme. These include changes to the agroforestry scheme and reducing administrative overheads by the introduction of the native trees scheme. The Department also noted it improved the processing times for licences (e.g. felling licences). In addition, the Department introduced a new 'qualified farmer' category for applicants.

Mid-term review — current programme

19.78 A mid-term review of the programme was published in March 2026. The purpose of the mid-term review was to review the performance of the programme and make changes to the programme where required. The Department requested submissions from members of the forest strategy consultative committee during the process.

19.79 The mid-term review did not provide an analysis of the programme's outturns versus its targets and did not include all KPIs. It did not conclude on the performance of the scheme or its (prospective) effectiveness. The KPIs set out in the Department's 2024 KPI document were not referenced.

19.80 However, the review noted a number of actions. As a result, the Department introduced several changes including, increased financial incentives in priority areas (such as road, fencing and agroforestry), increased training and support, and the simplification of the farmer definition.

Conclusions and recommendations

- 19.81** Forests have a potential positive impact on restoring nature, the economy and communities as well as helping combat climate change. The Department's forestry strategy contains five strategic goals and eight interventions. These interventions include schemes and other initiatives that deliver on the goals of the strategy.
- 19.82** In 2025, the Department spent €82 million on forestry schemes. However, it is not possible to link the expenditure to each of the strategy's objectives. This limits the Department's capacity to demonstrate cost effectiveness.
- 19.83** In the period 2015 – 2025, spending on the forestry programmes amounted to approximately €946 million. However, the level of spending achieved was consistently under the annual estimate allocation.
- 19.84** As part of the Department's annual budgeting process, it estimates the funding required for the programme. In 2026, the amount approved for the programme included an allocation for afforestation that was based on achieving a target of 3,000 hectares.
- 19.85** Afforestation schemes accounted for approximately 75% of the spend in 2025. The Department has a target of planting 8,000 hectares of new forests each year. The level of planting achieved since the programme launched is significantly less than targeted. The average planting for 2023 – 2025 was 1,917 hectares per year, or just 24% of the target.
- 19.86** In 2020, the Department introduced a new initiative to support and encourage the planting of trees on public lands. The goal was to plant 150 hectares per annum. From 2023 to 2025, the average planting was just 12 hectares per annum, significantly under target. In 2025, as part of its analysis, the Department identified around 30,000 hectares with potential for afforestation. It wrote to 82 public bodies that were identified by the analysis, and, as a result, a combined area of approximately 338 hectares is being considered for afforestation.
- 19.87** In 2025, the Department did not plant trees on any of its own land. However, the Department has stated it is currently investigating potential sites.
- 19.88** Increasing the level of forest cover is a key part of Ireland's strategy for reducing its carbon emissions. The 2019 Climate Action Plan includes the 8,000 hectares afforestation target as part of the country's carbon offset. While 460.3 gigagrams of CO₂ equivalent was sequestered in 2025 from the trees planted since 2015, the current programme is not expected to sequester an equivalent level of CO₂ as the previous programme due to significantly reduced planting activity.
- 19.89** A post-project review of the forestry programme 2014 – 2022 was undertaken in early 2022. The review therefore did not cover all the activity for 2022. The review was not published by the Department as required by the *Public Spending Code*.

- 19.90** An assessment of the 2025 output (or nearest relevant period when trends were the measure) indicated that the Department is not on course to meet its forestry targets and objectives. Overall, the annual targets for afforestation are not being achieved. The shortfall is so significant that it is difficult to see how the gap will be addressed under the current programme.

Recommendation 19.1

The Department should realign its afforestation targets so that its short-, medium- and long-term afforestation targets are consistent and achievable and take account of binding climate and greenhouse gas objectives.

Accounting Officer's response

Agreed.

Afforestation targets are developed and agreed as part of overall government policy decisions associated with climate and land use policy including those provided for in Ireland's Climate Action Plan. The targets are subject to the review and monitoring mechanisms associated with these government policies and the Department actively inputs to these policies as they are reviewed and adapted. The forestry targets, including afforestation targets, and progress on their implementation, will continue to be reviewed in the context of the development of the next forestry programme, to support alignment with the broader government policies to which forestry contributes. The new forestry programme and associated targets will be subject to government approval.

Timeline for implementation

After 2027.

- 19.91** Key performance indicators (KPIs) are used by the Department to assess progress on the achievement of the objectives of the forest strategy. Four of the sixteen KPIs the Department uses to monitor the effectiveness of the forest strategy are only reported on every five to six years. Longer interval reporting makes management and oversight of the strategy less effective. When setting out the KPIs in December 2024, the Department stated that a KPI progress report would be issued annually for the duration of the forest strategy. No progress report has been published to date.
- 19.92** Afforestation schemes are demand led as they require the voluntary participation of landholders. Promotion of and training for the schemes is an important element to the success of the programme. While the Department spent €2.1 million on promotion and training (including knowledge transfer) in 2025, it does not have a KPI to measure its effectiveness. The members of the consultative committee set up to monitor progress of the forestry strategy raised the issue of the creation of a KPI to monitor the promotional activities.

Recommendation 19.2

The Department should consider a meaningful KPI linked to its promotional activity to track the effectiveness of expenditure in this area. Furthermore, the Department should review its existing KPIs to ensure they remain relevant and the frequency of reporting is appropriate.

Accounting Officer's response

Agreed.

Each promotion activity/project sets KPIs aligned with its objectives, target audience and desired outcomes. Performance is monitored and evaluated through agreed evaluation plan and status reports, using relevant metrics such as reach, engagement, participation, media coverage, website activity and stakeholder feedback.

The Department's new Communications and Engagement Strategy 2026 – 2030 launched in July 2026 builds on the significant progress made in recent years to make forestry more attractive and accessible, including enhanced schemes and supports, greater choice for landowners and improvements in operational processes such as licencing timelines. This strategy is grounded in behavioural insights defining barriers to afforestation and levers to overcome them.

A data visualisation dashboard is also in development which will act as a monitoring and evaluation tool supporting the ongoing review of KPIs.

Timeline for implementation

December 2027.

- 19.93** The proportion of trees planted in 2025 that are broadleaves has increased from the last programme (66% versus 25%). The new native trees area scheme and the fall off in conifer planting have contributed to this.
- 19.94** Payments under the programme require State aid approval from the EU. As part of the approval sought, a cost-benefit analysis was conducted relating to the two main categories of schemes — afforestation and forestry roads. Both analyses returned a positive benefit outcome. The afforestation benefit-to-cost ratio was 1.87:1 and a benefit ratio of 9.14:1 was calculated for forest roads.
- 19.95** However, the cost-benefit analysis omitted tax loss considerations and the value of biodiversity. Omitting the tax loss considerations would increase the benefit ratio potentially giving an inflated benefit because all costs were not included. Omitting biodiversity had the effect of calculating a lower benefit-to-cost ratio for planting broadleaves and native trees, while calculating a higher benefit level for conifer trees. A cost-benefit analysis that does not take consideration of all material variables may have distorting effects on the design of schemes.

Recommendation 19.3

The Department should ensure all relevant elements are included in the cost-benefit analysis.

Accounting Officer's response

Agreed.

A cost-benefit analysis will be undertaken prior to the next forestry programme.

In respect of consideration of inclusion of tax benefits/costs as part of this analysis, this will be subject to data availability, specifically in relation to 'cost of tax expenditures' data related to forestry measures.

In respect of consideration of the value of biodiversity, the availability of data and appropriate methodologies for evaluating biodiversity benefits are complex. The Department will consider and assess if it is possible for such values to be included in the future cost-benefit analysis.

Timeline for implementation

December 2027.

Annex 19A

Afforestation schemes

FT1	Native forests
FT2	Forests for water
FT3	Forest creation on public lands
FT4	NeighbourWood
FT5	Emergent forests
FT6	Broadleaf forests with mainly oak species
FT7	Other broadleaf
FT8	Establishment of agroforestry systems
FT9	Seed orchards
FT10	Forests for CCF
FT11	Mixed high forests: conifer and 20% broadleaves
FT12	Mixed high forests: spruce species and 20% broadleaves
FT13	Agroforestry-Silvoarable
FT14	Agroforestry-Forest gardening
	Native tree area scheme offers
NTA1	Creation of small native forests
NTA2	Creation of native forests for water protection

Source: Department of Agriculture, Food and the Marine

Other schemes

Reconstitution schemes

Reconstitution ash dieback scheme 2023 – 2027

Climate action performance payment scheme (ash dieback)

Reconstitution scheme for windblow 2026

Forest road schemes

Forest road scheme 2023 – 2027 including the following measures

Ecologically enhanced forest roads

Special construction works (SCW)

Forest road scheme engineering design support

Climate resilient reforestation

Reforestation for continuous cover forestry

Reforestation for native forests

Reforestation for biodiversity and water protection

Creation of agroforestry systems

FT8 Silvopastoral systems

Open Forests

FT13 Silvoarable systems

FT14 Forest gardening

NeighbourWood scheme

Sustainable forest management

Woodland improvement schemes

Deer tree shelter, hare and deer fencing scheme

iPLAN

Native woodland conservation scheme

Other infrastructure and technology investments

Central tyre inflation systems

Temporary forest access measure

Forest machinery grant

Investment aid for the development of the forest tree nursery sector

Developing skills and empowering the forest sector for sustainable forest management

Forestry knowledge transfer groups (KTGs)

Call for proposals for forestry skills training

Call for proposals for forestry promotion projects

Continuous professional development

Source: Department of Agriculture, Food and the Marine

20 Overpayment of electric vehicle grants for demonstration models

- 20.1** The report sets out the circumstances whereby overpayments of up to €3.9 million were made to dealerships in respect of grants for electric vehicle (EV) demonstration models, and the steps being taken to determine and recover the amounts due.¹
- 20.2** Ireland has a target to reduce transport greenhouse gas emissions by 50% by 2030. Related to this is a target to have 30% of the private vehicle fleet switched to EVs by 2030.²
- 20.3** The Sustainable Energy Authority of Ireland (SEAI) is Ireland's national energy authority. SEAI administers the State's EV grant schemes on behalf of the Department of Transport (the Department). The schemes are principally funded from Vote 31 Transport, with additional supports funded through other State and EU funding streams.³ The Department has overall responsibility for the policy, funding, and oversight of the schemes.
- 20.4** The aim of the EV grant is to encourage the purchase of an EV instead of an internal combustion engine vehicle to assist with reaching transport emission targets. The EV grant scheme was introduced in 2011 and has been amended over time to adapt to changing market conditions and climate policy targets. It provides targeted financial subsidies mainly for EV private passenger cars and certain commercial vans.
- 20.5** In 2020, the Minister for Transport expanded the scheme to include EV demonstration vehicles acquired by electric vehicle dealers. Following their use for demonstration purposes, these vehicles may be sold to consumers, thereby entering the wider private vehicle market fleet.
- 20.6** The classes of vehicles covered by the scheme are set out in Figure 20.1. The figures shown reflect the grant amounts payable as of September 2026.⁴

¹ All references to EVs apply exclusively to battery electric vehicles which run on 100% electricity stored in a battery pack.

² [Transport and Climate Change](#).

³ Climate Action Fund, Shared Island Fund and EU Just Transition Fund.

⁴ Grant rates have varied over time since the scheme was introduced in 2012.

Figure 20.1 EV grant payable by SEAI to dealers

Vehicle category	Private	Demonstration	Commercial
Passenger car (M1) ^a	€3,500	€2,700	—
Small van (N1S)	€3,800	€3,800	€3,800
Van 3.5t weight (N1L)	€7,600	€7,600	€7,600
Moped (L1eB 50cc 45km/h or below)	€500	€500	€500
Motorcycle (L3e more than 50cc 45km/h)	€1,000	€1,000	€1,000

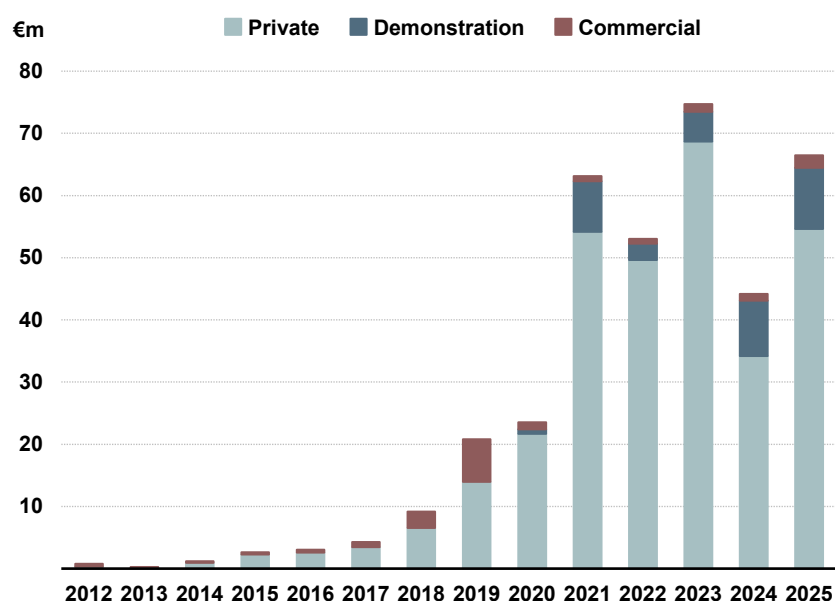
Source: Sustainable Energy Authority of Ireland

Note: a The M1 private passenger car grant was reduced from €5,000 to €3,500 in July 2023. The M1 demonstration vehicle grant was subsequently reduced from €3,800 to €2,700 in January 2026.

Expenditure on EV grants

- 20.7** Annual grant expenditure incurred by the SEAI in respect of EV purchase grants has increased significantly over time (see Figure 20.2). There was a step change in the level of expenditure in 2021, with significant swings from year to year. Expenditure in 2025 totalled €66.5 million.

Figure 20.2 Value of EV grants 2012 to 2025^a



Source: Sustainable Energy Authority of Ireland. Analysis by the Office of the Comptroller and Auditor General.

Note: a The scheme commenced in 2011, with €198,000 paid in respect of 38 private EVs and 4 commercial EVs.

- 20.8** Between 2012 and 2025, SEAI issued grants totalling €367.3 million, comprising €313.2 million for private EVs, €19 million for commercial EVs, and €35.1 million on grants for demonstration EVs. In addition, since 2025 the scheme has provided €10,500 in grants for eligible electric mopeds and motorcycles.
- 20.9** The EV demonstration grants accounted for 10.8% of total EV grant payments made between 2020 and 2025.
- 20.10** There was a significant increase in the grants paid in respect of demonstration models in 2024 and 2025 (see Figure 20.3). In 2024, there was one grant-aided demonstration vehicle for every 4.2 grant-funded non-demonstration EVs. In 2025, during a period of increased EV sales, there was one grant-aided demonstration EV for every 6.2 non-demonstration grant-funded EVs.
- 20.11** In SEAI's view, the percentages of EV demonstration models in Ireland are generally in line with or lower than the EU norm.
- 20.12** Figure 20.4 provides an overview of the EV grant process and the key eligibility requirements of the scheme.

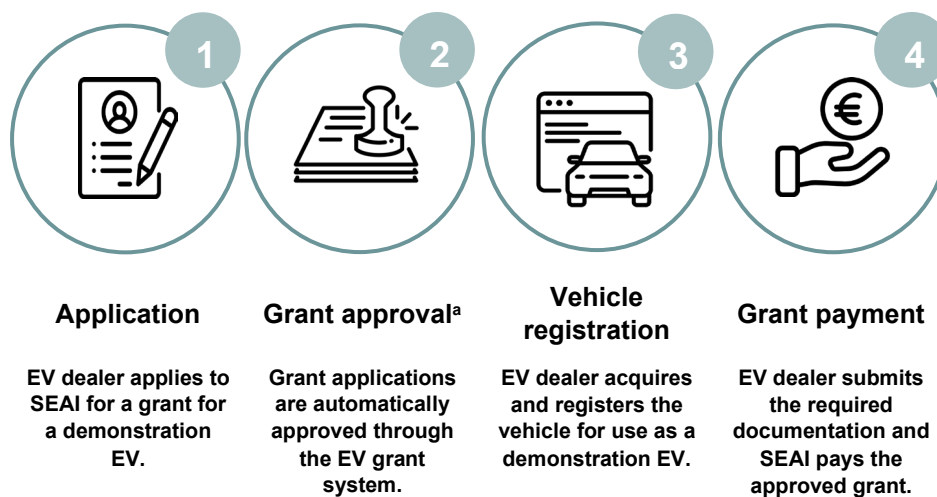
Figure 20.3 Grants for EV demonstration models to EV dealers 2020 – 2025

Year	All EV grants		Demonstration EV grants		Value of demo grants as a % of total
	Number of grants paid	Value of grants paid €000	Number of grants paid	Value of grants paid €000	
2020	4,850	23,552	186	707	3.0
2021	13,140	63,124	2,152	8,178	13.0
2022	10,891	53,054	691	2,626	5.0
2023	15,840	74,732	1,262	4,796	6.4
2024	12,295	44,166	2,346	8,915	20.2
2025	18,633	66,452	2,596	9,865	14.9
Total	75,649	€325,080	9,233	€35,087	10.8

Source: Sustainable Energy Authority of Ireland. Analysis by the Office of the Comptroller and Auditor General.

Figure 20.4 SEAI EV demonstration grant process

From application to grant payment



Source: Sustainable Energy Authority of Ireland. Analysis by the Office of the Comptroller and Auditor General.

Note: a Subject to the EV dealer being authorised by the relevant vehicle importer and providing the required documentation and information through the grant system.

State aid and the *de minimis* regulation

- 20.13** Under European Union (EU) competition law, State aid is the term applied to any grant, subsidy or other intervention by a member state that confers advantage on enterprises engaged in commercial activity in a way that potentially distorts competition or the free market. Unless an economic intervention is specifically permitted by the European Commission, it is regarded as illegal State aid, and the value of that aid must be recovered from the enterprise.
- 20.14** The European Commission allows member states to grant small amounts of State aid to businesses without needing its formal approval, where these amounts are deemed to have no impact on market competition. This is referred to as the *de minimis* regulation.⁵
- 20.15** Under the *de minimis* regulation, member states may only provide State aid to individual commercial undertakings up to a maximum of €300,000 over a rolling three-year period. The cap was €200,000 up to 31 December 2023 and increased to €300,000 with effect from 1 January 2024.
- 20.16** The *de minimis* threshold limit applies to a single undertaking, rather than to each individual entity separately.⁵ This definition encompasses linked enterprises with direct or indirect controlling relationships, including parent companies and subsidiaries operating within the same member state.

SEAI guidance on the *de minimis* regulation

- 20.17** SEAI EV scheme grants are classed as *de minimis* State aid and are capped accordingly under these single undertaking rules. The effect of the EU regulations is that no single undertaking should be in receipt of more than €300,000 in grants over any given rolling three-year period.
- 20.18** The scheme guidelines issued by SEAI address this issue, as outlined below.

Extract from SEAI guidelines⁶

The EV scheme grants are classed as *de minimis* State aid. There is a ceiling of €300,000 for all *de minimis* aid, regardless of the source, given to any one enterprise (including groups) over a three-year rolling period.

Commercial and demonstration grant offers are made on the understanding that the grant combined with any other *de minimis* aid received by any one business entity in the last three years does not exceed the ceiling of €300,000.

If you are unsure if you have previously received any *de minimis* funding, you should check the letter you received when the funding was awarded as all funding bodies are required to highlight this. In order for us to maintain our *de minimis* records, we ask that you complete a *de minimis* declaration which is included within the application form.

⁵ [Commission Regulation \(EU\) 2023/2831](#) of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (OJ L, 2023/2381, 15.12.2023).

⁶ [SEAI EV grant scheme guidelines, terms and conditions](#).

De minimis limit checks performed by SEAI

- 20.19** Each demonstration grant application must be accompanied by a signed *de minimis* declaration confirming the dealer complies with the *de minimis* State aid requirements.
- 20.20** As part of the application process, dealers are required to provide their VAT number. The VAT number is used by SEAI as the primary identifier to track the cumulative amount of *de minimis* funding received by a dealer over the preceding three-year period. The signed declaration, together with the VAT number, supports the assessment of eligibility against the applicable *de minimis* funding threshold.
- 20.21** The EV grant management system automatically calculates the cumulative funding associated with the VAT number. Where approval of a new demonstration grant would result in the applicable *de minimis* limit being exceeded, the system prevents the application from proceeding.
- 20.22** Since 2025, the system has also supported the linking of VAT numbers for dealers that have either declared themselves to be part of a group or have been determined by SEAI to be linked. In these cases, the system aggregates the cumulative *de minimis* funding across all linked dealers when any member of the group submits an application. If the addition of a new demonstration grant would cause the group's cumulative funding to exceed the applicable threshold, the system automatically prevents the application from being submitted.

Investigation by SEAI

- 20.23** In February 2025, during payment checks, SEAI identified a potential *de minimis* compliance issue involving linked dealerships and commenced an investigation. The Board of SEAI, the Department of Transport and the Department of Climate, Energy and the Environment were subsequently informed of the matter.
- 20.24** SEAI commenced a process to establish potential overpayment amounts and to recover these. In February 2025, it issued a communication to all EV dealers registered with SEAI as to whether they were linked or unlinked for the purposes of the *de minimis* regulation.
- 20.25** In March 2026 the SEAI Board was informed by the SEAI executive that potential overpayments amounting to €4 million had been identified by the investigation. SEAI subsequently revised this figure to €3.9 million.
- 20.26** From May 2026 onwards, SEAI wrote to the affected dealer groups setting out its final determination of their linked enterprise status and advising that further grant payments would be suspended until the identified overpayments had been refunded.
- 20.27** The letters set out SEAI's determination of the *de minimis* overpayment, including detailed breakdown of how the amount had been calculated, and requested repayment within 60 days of the date of the letter. Dealers were also afforded an opportunity to make representations in relation to the determination within 30 days of the date of the letter.

- 20.28** As of June 2026, SEAI had identified 80 individual dealers linked to 15 car dealership groups with cumulative *de minimis* aid exceeding the applicable threshold. SEAI also identified several other linked dealership groups whose cumulative *de minimis* aid remained within the applicable limits and, therefore, no overpayment arose.
- 20.29** SEAI states that similar trading names do not necessarily indicate that businesses are linked, as entities may operate independently through franchise or other commercial arrangements. Conversely, entities with no apparent connection may constitute linked enterprises where they are subject to common control. The assessment of whether enterprises are linked is therefore based primarily on the level of ownership and control, in accordance with the applicable regulations.
- 20.30** A formal declaration process for new dealers joining the scheme was introduced in February 2025 and was not in place prior to that date. However, dealers were required to confirm that they had not exceeded the applicable *de minimis* funding thresholds in respect of each demonstration vehicle grant claimed both before and after February 2025.
- 20.31** SEAI states it continues to rely primarily on these self-declarations, with responsibility resting with applicants for their accuracy and compliance. While further verification of individual declarations can be undertaken, SEAI states that this is resource intensive and may require engagement with dealer groups to establish their status.
- 20.32** As of 18 September 2026, a number of dealer groups had repaid the *de minimis* overpayment totalling €109,400.
- 20.33** Of the remaining dealer groups, some accept SEAI's determination regarding their linked status, whereas others are contesting SEAI's determination that they constitute linked enterprises.

Conclusions

- 20.34** Subsidisation of the cost of EVs is a key government intervention designed to encourage the uptake of EVs to assist in meeting climate targets. This includes the subsidisation of the cost of vehicle dealership demonstration vehicles. Of the €66.5 million in subsidy grants for EVs paid by SEAI in 2025, €9.9 million (14.9%) was in the form of subsidies for vehicle dealership demonstration models. Since such subsidies were introduced in 2020, a total of €35.1 million has been paid.
- 20.35** SEAI was aware from the outset that the demonstration vehicle subsidies were a form of State aid and could only be paid up to the limits allowed under the EU *de minimis* regulation. It developed a grant management system that could apply the rule across linked dealerships within a single undertaking. This prevented payment of subsidies to any group dealership applying for a grant if the group as a whole had reached the limit.

- 20.36** A key part of SEAI's controls for compliance with State aid rules in respect of electric vehicle grants is self-declaration by car dealerships as to their linked status. This process did not result in full identification of all such groups, leading to potential grant payments above the *de minimis* thresholds. Following an investigation, SEAI has estimated that payments over the permitted limits for individual commercial undertakings totalled up to €3.9 million. This represents an excess payment rate of up to 11% of the amount paid to undertakings.
- 20.37** Under EU State aid rules, SEAI is obliged to recover the excess payment amounts from the undertakings. This could be done on a 'whole-of-group' recovery basis, or by recoupment from the individual dealerships that were paid grants after the limit for the group had been reached. The recovery of overpayments will need to be achieved without impacting the payment of grants to dealerships for the benefit of purchasers of EVs.
- 20.38** Amounts recovered by the SEAI are liable for surrender back to Vote 31 Transport.

21 Management of compensation for cessation of turf cutting

- 21.1** The 1992 EU Habitats Directive (the Directive) was transposed into Irish law in 1997. Under the Directive, the State is legally required to protect raised bogs, including through restricting turf cutting on active raised bogs in designated special areas of conservation (SACs).¹ In total, 139 raised bogs are designated for protection, in 53 SACs. In addition, the Wildlife (Amendment) Act 2000 designated 75 raised bogs in natural heritage areas (NHAs) for protection.² The current designated raised bog network covers an area of just under 18,000 hectares.
- 21.2** In addition to restrictions on turf cutting, the national conservation target for active raised bogs is to restore or maintain a total area of 3,600 hectares of active raised bog within a network of SACs and NHAs.
- 21.3** The restriction on turf cutting is a contentious matter given the strong local and personal attachment to turf cutting for reasons such as family tradition, requirement for cost-effective domestic heating and other social or commercial benefits.
- 21.4** In 1999, the State provided a ten-year derogation which allowed turf cutting to continue on certain designated SACs. This effectively delayed compliance by the State with the Habitats Directive. In 2011, the European Commission initiated infringement proceedings against Ireland in relation to the implementation and enforcement of the Habitats Directive. The European Court of Justice is expected to decide on the case shortly.
- 21.5** In 2011, the Minister for Arts, Heritage and the Gaeltacht established the cessation of turf cutting compensation scheme (the scheme). The non-statutory scheme aims to compensate landowners and turbary-right holders affected by the restrictions on turf cutting on the 53 SACs.³ In 2014, the scheme was extended to include 36 of the 75 bogs in NHAs (see Annex 21A). The background to the introduction of the scheme is set out in Annex 21B.
- 21.6** In September 2020, responsibility for the scheme transferred to the Department of Housing, Local Government and Heritage (the Department). The scheme is administered by a unit within the National Parks and Wildlife Service (NPWS).⁴
- 21.7** In September 2024, the Department announced the closure of the scheme to new applicants but continued to accept applicants until June 2025.⁵ At the end of 2025, the cumulative expenditure on compensation under the scheme was almost €84 million, paid to approximately 3,300 beneficiaries.
- 21.8** United Nations Sustainable Development Goal 15 (SDG 15) focuses on protecting, restoring and sustainably managing ecosystems. SDG 15 is directly relevant to Irish active raised bogs as it promotes the conservation and restoration of peatland ecosystems with a view to halting biodiversity loss and contributes to achieving conservation status. The Department is responsible for setting national targets and indicators, guided by the National Biodiversity Action Plan 2023 – 2030.⁶

1 Special areas of conservation are prime wildlife conservation areas designated under the EU Habitats Directive.

2 Under the [Wildlife \(Amendment\) Act 2000](#), a natural heritage area is defined as an area which is worthy of conservation for one or more species, communities, habitats, landforms or geological or geomorphological features, or for its diversity of natural attributes.

3 A turbary right is a legal entitlement allowing an individual to cut peat from bogland owned by another for domestic fuel or other personal use.

4 The NPWS operates as an executive agency within the Department.

5 In a number of exceptional cases, the Department continues to accept applications from individuals who have already engaged in the application process, pending a formal application.

6 [The National Biodiversity Action Plan 2023 – 2030](#) translates the global goals of halting biodiversity loss, protecting ecosystems, and restoring degraded land into national actions.

Focus of the examination

21.9 This examination was undertaken to review

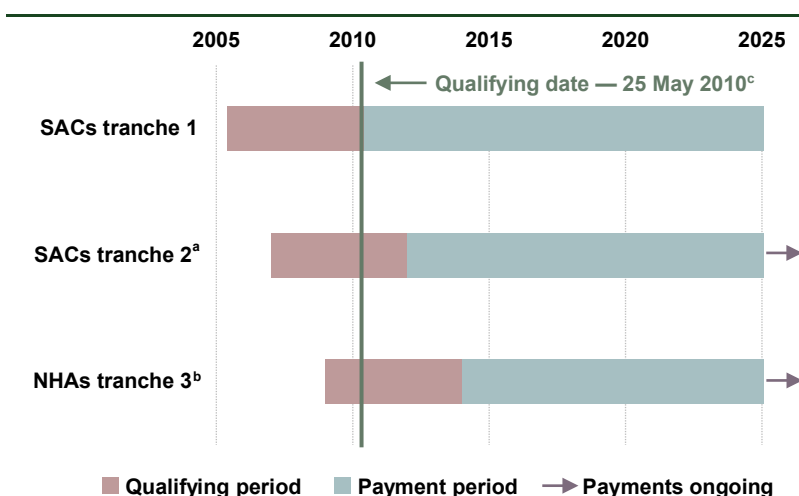
- the controls in place to ensure that the scheme's eligibility criteria were met
- how the Department confirms that the ongoing conditions of the scheme are adhered to i.e. beneficiaries of the scheme must permanently cease turf cutting, and
- how the Department evaluates the effectiveness of the scheme in the achievement of its objectives.

21.10 The examination team interviewed staff from the Department, reviewed a range of documents, visited a number of bogs within the scope of the scheme and reviewed a sample of compensation payments under the scheme.

Scheme eligibility

21.11 The scheme was introduced in three tranches as additional designated bogs became eligible for compensation. This comprised two tranches of SAC bogs, which come within the scope of the Directive, and one tranche of NHA bogs, which come within the scope of national legislation. Figure 21.1 illustrates the key scheme criteria and the relevant dates for each tranche.

Figure 21.1 Qualifying period and relevant dates



Source: Department of Housing, Local Government and Heritage. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- The number of raised bog SACs subject to turf cutting restrictions was originally 55 but, following subsequent revisions to site boundaries and conservation designations, two sites were removed from the list.
 - Following the designation of raised bog NHAs in 2014, a three-year derogation allowed continued turf cutting until 31 December 2016, subject to individual consent from the Minister.
 - This is the date that by which applicants had to hold legal title or interest in the relevant plot.

21.12 Applicants were required to meet the three key criteria. These were

- possess the legal right to cut turf on the qualifying date
- have actively cut turf in the qualifying period
- have ceased to cut turf following the cessation date.

An overview of the sources of verification that the Department uses to ascertain compliance is set out in Annex 21C.

Proof of right to cut turf

21.13 In cases where the Department is unable to obtain proof of title through existing legal instruments or records, it has provided an option whereby the applicant signs an affidavit confirming that they have a legal interest or turbary right in relation to the bog.

21.14 The Department stated that in the early years of the scheme, proving ownership or a turbary right in relation to bogs was complex. In 2013, the Department obtained legal advice regarding options for proof of legal title in instances where this was proving challenging. The advice set out that it was open to the Department to accept a sworn affidavit as evidence of the legal interest.⁷ The legal advice noted that this approach does not entirely remove the risk of false claims.

21.15 To April 2026, 43% of all beneficiaries qualified for the scheme based on an affidavit.⁸ The Department stated that it is not aware of any instances of affidavits containing false or misleading statements.

Self-certification

21.16 In December 2011, the Department decided to make interim payments of up to €1,500 to around 650 applicants, prior to full verification of claims by the Department. The Department stated that this was because it wanted to provide turf cutters with compensation in a timely manner.

21.17 In 2017, the Department conducted retrospective verification checks. Thirty-three applicants (5%) were found not to have met the scheme's criteria, having been paid in relation to bog plots that were outside the boundaries of a designated SAC or NHA. In a number of cases, more than one annual payment had been paid prior to the Department verifying that the bog plot related to the claim was ineligible. The total irregular amount paid was calculated to be €75,800.

21.18 In 2018, the Department issued letters to try to recoup the overpayments. It recouped €6,800 from five applicants.

21.19 In late 2018, the Department decided not to pursue the remaining overpayments of €69,000 due to the passing of time, significant resources likely to be required to pursue recovery and limited likelihood of recoupment. The overpayments have not been formally written off by the Department despite a proposal for write-off being prepared. The Department stated that the decision to suspend recovery efforts is still under periodic review.

⁷ A 'consent affidavit' is from the bog owner swearing the applicant had turbary rights to the bog. A 'prescriptive affidavit' is from the applicant swearing ownership or a turbary right exists. Of the 43% of beneficiaries relying on an affidavit, 52% were prescriptive, 23% were consent and 25% were not recorded by type.

⁸ There have been six cases of affidavits in relation to adverse possession over the life of the scheme.

Legal agreements

- 21.20** The standard scheme process requires that a legal agreement between the applicant and the Minister with responsibility for Heritage is signed prior to the payment of compensation. Legal agreements outline the obligations of each party and provide the Department with the right to conduct remedial works on the bog. The agreement also provides for the Land Registry property folio to be amended to include reference to the agreement.
- 21.21** As part of the examination, a sample of 30 payments to 30 beneficiaries across the years 2011 to 2025 were reviewed. The Department was unable to provide legal agreements in six cases, or 20% of the sample.

Non-active turf cutters

- 21.22** One of the three qualifying criteria is that the applicant had been cutting turf on the specified plot for domestic purposes during the prior five-year qualifying period. This resulted in non-active plot owners or holders of turbary rights being excluded from the scheme. Only applicants that had actually cut turf on a designated bog were accepted into the scheme.

Department's internal review

- 21.23** In August 2025, the Department conducted an internal review of one bog included in the scheme. The review included an assessment of the eligibility criteria and legal documentation obtained. The report of the review recommended the
- introduction of spot checks by officials separate to those assigned to a particular bog to assess the integrity of the application process
 - enhancement of record keeping of the final decision-making and approval process.
- 21.24** In 2015, 2016 and 2018, reviews of the scheme conducted by the Department's Internal Audit made similar recommendations in relation to record keeping.
- 21.25** The review findings highlighted weaknesses in the application and decision-making process relating to claims on the bog reviewed. The Department has stated that the scheme's standard operating procedures were updated in early August 2026 to incorporate the review recommendations and that spot checks commenced from early September 2026.

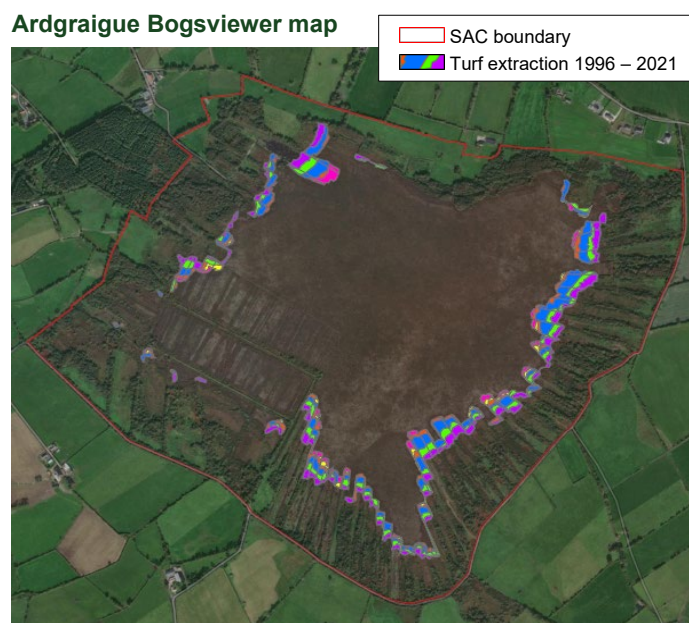
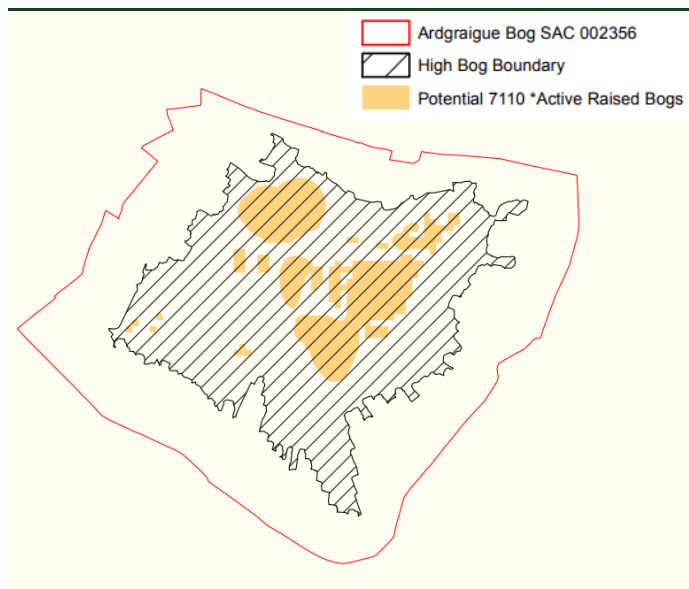
Scheme compliance

- 21.26** The key objective of the scheme is to provide compensation to those impacted by the restrictions on turf cutting on protected designated bogs to fulfil the State's legal obligations. The effectiveness of the scheme relies on the Department's ability to gain assurance that turf cutting both
- ceased at the applicable date, and
 - did not recommence later.
- 21.27** The Department has a number of means of checking that turf cutting has ceased and has not recommenced.

Bogsviewer

- 21.28** 'Bogsviewer' is a Geographical Information System (GIS) mapping tool, developed by the Department, with underlying maps provided by Ordnance Survey Ireland. The maps within Bogsviewer show the facebank of the bog for 1995, 2005 and 2012 and allow a comparison of the three periods to assess if the bog has been cut in the qualifying period and/or if the turbary right is exhausted.^{9,10}
- 21.29** Figure 21.2 provides an example of two maps of Ardgraigue bog in County Galway, including the map from the Bogsviewer. The Department estimates that turf cutting has ceased on 85% of the target raised bogland on SACs.

Figure 21.2 Maps of Ardgraigue bog, Galway



⁹ The facebank is the active edge of a bog where peat is currently being harvested.

¹⁰ Other means of proof such as contractor receipts are sought if necessary.

Source: Department of Housing, Local Government and Heritage

Warning lists

- 21.30** Warning lists are designed to include the name of any person who has unlawfully cut turf on a plot on a designated bog since the cutting cessation date. They are generated by the NPWS based on evidence of cutting found such as through aerial or on-ground inspections. The intended use of the lists is to prevent the Department making payments to individuals who are identified as continuing to cut turf. Originally, the lists were prepared by the NPWS's enforcement unit.¹¹
- 21.31** However, lists are not available for every year. There are no warning lists for the years 2017 to 2022. The most recent warning list available is for 2024. In addition, warning lists are only available for SACs and not NHAs as the Department considers these as the priority.¹² The Department stated that regular monitoring and surveillance was undertaken during the period and prosecutions were taken by the Department, with cross-reporting to the Department of Agriculture, Food and the Marine.

Aerial views

- 21.32** The Department engages a contractor to fly over a list of sites once a year to observe the state of the bogs.¹³ The entire site is photographed and images of each plot that has been cut are analysed by NPWS Peatlands District Conservation Officers. In instances where active turf cutting is indicated, the ranger with responsibility for the bog compares photos taken during the flyover with previous photos of the same sites.
- 21.33** Aerial views are supported by on-ground monitoring by the Department, on a risk basis. However, lack of access resulting from resistance to the restrictions on turf cutting on some bogs has presented difficulties to the Department in its monitoring role.
- 21.34** As part of the examination, a sample of 30 payments across the years 2011 to 2025 were reviewed to assess controls in place to check that turf cutting had not recommenced. Of the 30 payments reviewed, seven (23%) of the corresponding files did not contain evidence of any checks to ensure turf cutting had ceased.

11 The enforcement unit was a coordinating function within the NPWS dealing with common enforcement matters. In 2016, enforcement activities were instead spread across the NPWS and regional management. In 2022, the function moved to the newly formed Wildlife Enforcement and Nature Protection Directorate.

12 To January 2026, there were 2,861 SAC beneficiaries and 521 NHA beneficiaries.

13 Until 2018, aerial flyovers were conducted by the Defence Forces. They are now conducted by contractors using a Cessna-type fixed-wing aircraft once a year. Occasionally more than one flight a year is required if a site has been cut late in the year or reports of cutting are received.

14 Continued cutting of turf on designated bogs is an offence. Upon summary conviction fines of up to €5,000 can be applied and up to six-month imprisonment. For conviction on indictment, penalties are a fine of up to €500,000 and/or up to three-year imprisonment.

Department follow-up when illegal turf cutting is indicated

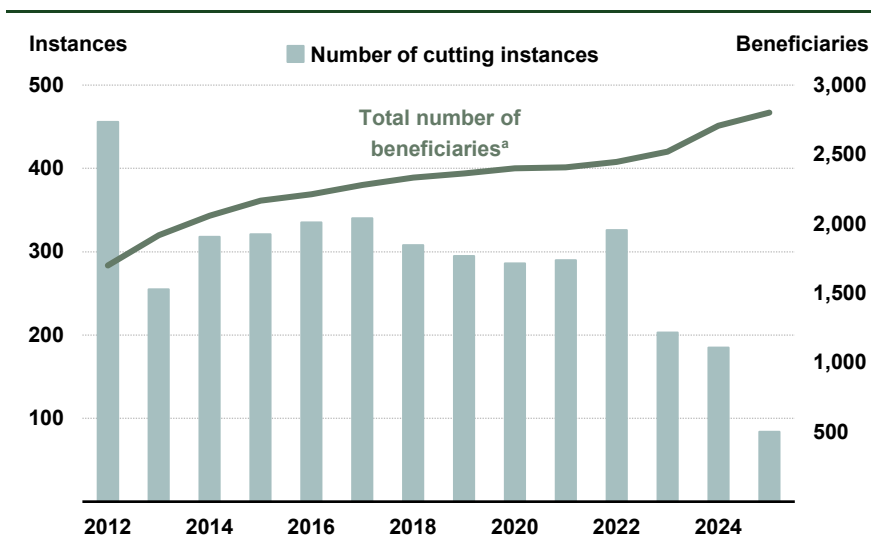
- 21.35** In cases where aerial images or warning lists indicate that cutting has likely taken place, the Department stated that it proceeds with enforcement action, including the suspension of scheme payments, pending investigation.¹⁴
- 21.36** When a scheme beneficiary is identified as potentially cutting turf, they are contacted by the Department. In order to continue to receive compensation payments, the beneficiary must provide a declaration stating that they are not the person who cut turf on the bog. The Department does not conduct any further checks to verify this statement. The Department could not provide the total number of declarations it had sought or received.
- 21.37** The examination team requested information regarding the number of instances of illegal turf cutting detected following the payment of compensation. The Department stated that this information was not available but was currently being reviewed with the intention of contacting beneficiaries if instances of illegal turf cutting are detected.

Instances of illegal turf cutting detected

21.38 When the scheme was first introduced, instances of turf cutting detected on SACs reduced by 44% between 2012 and 2013 (see Figure 21.3). However, detected instances of turf cutting increased thereafter, and remained at a higher level over the following nine-year period. Following the introduction of a lump sum payment in 2024, there was an increase in the scheme beneficiaries and a reduction of almost 60% in the instances of illegal turf cutting detected between 2023 and 2025.

21.39 In all, turf cutting was identified in 84 'scheme' plots in ten SACs in 2025. Just three locations represented the majority of illegal turf cutting detected in 2025. There were low levels of illegal turf cutting at an additional seven locations.

Figure 21.3 Instances of turf cutting detected on SACs, 2012 to 2025



Source: Department of Housing, Local Government and Heritage. Analysis by the Office of the Comptroller and Auditor General.

Note: a Total number of beneficiaries is cumulative. In cases where a beneficiary dies and the right is inherited, the successor receives the residual payment amount.

Legal action

21.40 The Department stated that it has taken a number of prosecutions in the past relating to illegal turf cutting on protected bogs. However, when asked for the number of cases prosecuted and the outcomes of the prosecutions, the Department was unable to provide the exact information due to a lack of a centralised record but stated that there were at least six prosecutions taken by the NPWS.

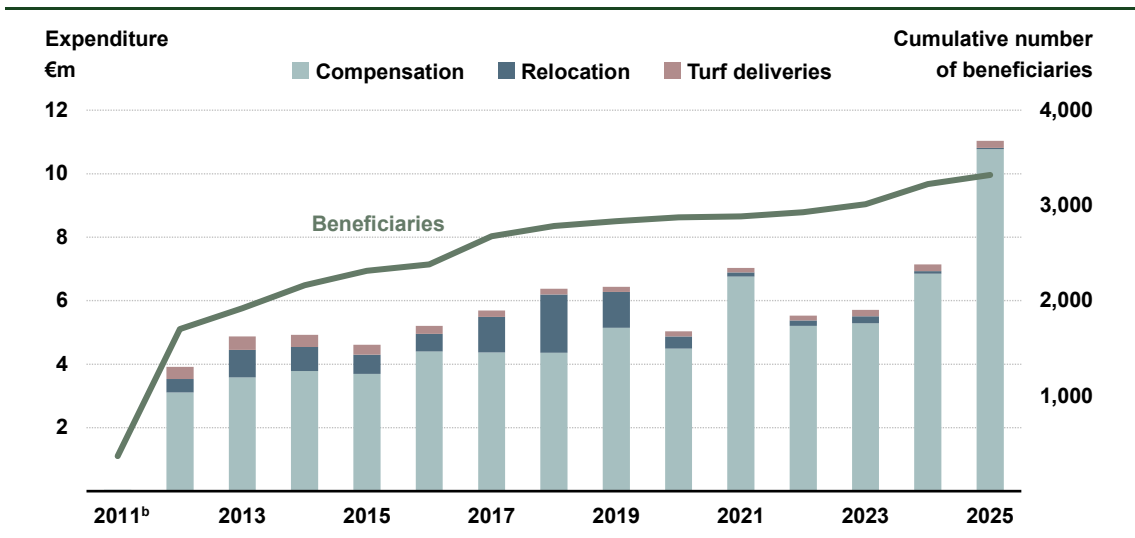
21.41 In 2025, the NPWS successfully obtained a High Court injunction against a turf cutting contractor which prohibited illegal turf cutting activity on three SACs. The Department stated that cutting has not taken place on these sites since the injunction was granted.

Scheme expenditure

21.42 The scheme provides two options for compensation: relocation of turf cutting to an alternative site; or annual payment-based compensation for cessation.

21.43 Over the period 2011 to 2025, total compensation paid to turf cutters was approximately €84 million. Figure 21.4 sets out the annual expenditure on compensation, by compensation type, over the period 2011 to 2025. In addition to compensation, over the period 2012 to 2024, approximately €8.5 million was spent on scheme-related expenditure such as land purchases, legal fees, planning services and payments to Bord na Móna.

Figure 21.4 Compensation and beneficiary numbers, 2011 to 2025^a



Source: Department of Housing, Local Government and Heritage. Analysis by the Office of the Comptroller and Auditor General.

Notes: a The scheme has moved between Votes over its lifetime, reflecting changes in departmental responsibilities for the heritage function.

b Expenditure on compensation in 2011 was €45,000.

Relocation of turf cutting

21.44 The relocation option facilitates turf cutters to relocate to a department-owned non-designated site. Turbary rights are granted for the site until all turf is extracted. While the Department is in the process of identifying a site, applicants receive an annual compensation payment or an annual delivery of 15 tonnes of turf.

21.45 By the end of February 2026, 107 individuals had been relocated to department sites. In addition, 190 individuals had expressed an interest in relocation but had either refused a plot that was offered or no suitable plot had been identified by the Department.

- 21.46** The examination team visited a department-owned relocation site in Galway (see Figure 21.5). There are 15 occupied plots on the site with no waiting list for the remaining four plots. On average, each plot is 0.4 hectare (one acre). The total cost to the Department of providing the site was €629,000, an average cost of €42,000 per turf cutter. These costs are in addition to interim compensation payments and/or turf deliveries up to the relocation date. The Department estimates that the plots will allow for turf cutting for 60 years or more, depending on the extraction rate.

Figure 21.5 Active facebank and drain at relocation site, Galway



Source: Office of the Comptroller and Auditor General

Revision of scheme criteria

¹⁵ An amount of €500 per beneficiary was also paid in relation to legal advice that may be required prior to the signing of the legal agreement with the Minister. This was paid to all beneficiaries throughout the life of the scheme.

¹⁶ Throughout the life of the scheme, lump sum payments relating to earlier years were paid to beneficiaries upon late entry to the scheme.

- 21.47** The annuity-based option provides for payment of €1,500 a year for 15 years, indexed linked from the relevant turf cutting cessation date, and a once-off payment of €500 for an applicant's legal advice in relation to the signing of a legal agreement with the Minister.¹⁵
- 21.48** In 2023, the Department introduced a change to the scheme. This provided for a lump sum of €23,600 (equivalent to 15 years of indexed annual payments) to be paid to beneficiaries upon entry into the scheme.¹⁶ Emails provided by the Department noted that this decision was agreed in principle by senior management, but evidence of formal approval of this was not available when requested by the examination team.

21.49 The need to meet the criterion relating to having stopped cutting since the cutting cessation date relevant to each tranche was removed. This allowed full compensation to be paid to turf cutters who may have continued to cut turf on designated bogs, once an undertaking to stop cutting turf was provided.

21.50 This revision to the scheme criteria was piloted on one bog and, in July 2024, the new payment approach was expanded to all designated bogs. The Department stated that the reason for the change was to encourage uptake of the scheme to comply with the Directive. The Department considered the cost of potential EU fines compared to the lump sum payments. In addition, the Department stated that restoration of bogs is an essential component of its legal obligations and the lump sum payments were also in effect a purchase of the goodwill of the site owner and of community trust.

21.51 The Department recognised that this approach was inequitable and had the potential to undermine the scheme and other similar schemes but determined that it was required to increase application numbers, particularly in relation to bog owners who were reluctant to enter the scheme prior to this change. At the end of 2025, the Department had made approximately 300 lump sum payments resulting from this change, at a total cost of just over €7 million. The Department stated that 85% of beneficiaries relied on affidavits as evidence of legal title or interest.

Future plans for support

21.52 The Department is considering a new phase of support for existing scheme beneficiaries. The Department stated that this will include consideration of other supports available including home energy grants operated by the Sustainable Energy Authority Ireland.

Liaison arrangements

21.53 In 2024, the Department put in place a liaison arrangement with a plot owner to act as an agent for the Department. The Department noted that the purpose of the arrangement was for the agent to

- act as a liaison between the Department and potential applicants
- provide expertise on local issues
- assist applicants with their applications, and
- provide technical advice to Department staff in relation to their discussions with turf cutting contractors.

21.54 In October 2024, a contract was signed with the agent and a confidentiality agreement was signed in November 2024. The first payment for services was made in December 2024. This related to work conducted between April and October 2024, prior to the contract being in place. The Department stated that formal discussion regarding an arrangement with the contractor commenced in April 2024.

- 21.55** The contract was due to expire on 31 December 2024 but provided for a once-off extension of six months. The contract was extended for eight months at the end of 2024. The Department stated that the reason for the longer extension was to allow sufficient time to deal with ongoing negotiations with bog plot owners that were at a critical stage.
- 21.56** The contract provided for a fee of €105 per hour. The Department reports that in total, it paid €129,015 for almost 1,234 hours of work. The Department informed the examination team that records of engagement between the agent and turf cutters were not available because the Department requested the agent to dispose of the records for data security reasons. Therefore, the Department was unable to provide evidence sufficient to substantiate the payments to the contractor.
- 21.57** The Department provided the examination team with copies of the contractor's own diary entries for May 2025 and a timeline of engagement as a sample of the supporting information obtained to verify the hours paid.
- 21.58** The agent was also a beneficiary of the scheme. The agent joined the scheme after the qualifying criteria were reduced and, in July 2024, received a lump sum payment. At the time, the contractor was working for the Department. The Department did not consider that a conflict of interest existed because the contractor had no role in assessing eligibility and payment. In addition, the Department pointed out that the contract with the agent was not in place when the lump sum payment was made.
- 21.59** The Department stated that 392 new applicants applied for the scheme resulting from the services of the agent.¹⁷ However, the Department was unable to provide a figure for the number of applicants that engaged with the agent who were subsequently accepted into the scheme.
- 21.60** Public procurement requirements were not complied with regarding the contract with the agent. The Department stated that the reason for this was the need for urgent action following escalation of the peatland's infringement case to the Court of Justice in March 2024.

European Commission peatlands infringement case

- 21.61** Under the EU Directive, member states are required to enforce strong protections against activities that damage SACs. In 2011, the European Commission (the Commission) opened proceedings against Ireland for failing to sufficiently enforce protections on designated bogs in line with the Directive. In March 2024, the Commission referred the case to the European Court of Justice.
- 21.62** There is a risk that the Court may apply financial penalties. The Department issued a statement on 13 March 2024 stating that Ireland has invested significantly since 2011 in the conservation and restoration of peatlands, which led to an overall decrease in turf cutting.
- 21.63** In June 2026, the Advocate-General delivered her opinion on the case, formally advising the Court of Justice that Ireland had manifestly and significantly failed in its obligations to protect and restore designated bogs from turf cutting.¹⁸ The final decision of the Court of Justice is expected shortly.

¹⁷ Of the 392 applications that the Department attributes to the work of the agent, 64 were submitted in 2022 and 2023. Not all applications received have been approved to date.

¹⁸ The Advocate-General is an independent legal advisor to the Court of Justice of the EU. The opinion of the Advocate-General is not binding on the Court of Justice.

Performance measurement

- 21.64** 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. The Department stated that its primary performance indicator in relation to the scheme is the number of eligible turf cutters compensated.
- 21.65** The annual estimate for Vote 34, which funds the scheme, includes one high-level target i.e. “number of payments made to work towards a total cessation of turf cutting on designated raised bog SAC and NHA sites”. There is no clear link between this activity-focused metric and the output or effectiveness of the scheme.
- 21.66** While compensation payments are the key mechanism provided by the scheme to encourage and facilitate the cessation of turf cutting, the number of payments made do not necessarily correlate with the achievement of cessation. More results-orientated metrics would provide a better basis for target setting and performance reporting e.g. the percentage of the target area of designated bogs where turf cutting has ceased or the percentage of wetland land cover increased.

The Department’s evaluation of the effectiveness of the scheme

- 21.67** The scheme is designed to compensate turf cutters impacted by the restrictions on turf cutting on designated bogs resulting from the Directive. It should be noted that turf cutting on designated bogs is illegal without the consent of the relevant statutory authority whether a bog plot owner benefits from the scheme or not.
- 21.68** In 2003, the Department commissioned a project to assess the impact of turf cutting on all of the designated raised bogs. The resulting report noted that domestic turf cutting was taking place on 117 of the 139 designated bogs.¹⁹ It noted that 77% of the bogs in SACs and 91% of the bogs in NHAs were being cut.
- 21.69** In 2023, the Department commissioned a report, prepared by Bord na Móna, that assessed the reduction in turf cutting lines on 27 SACs since the commencement of the scheme. In September 2025, Bord na Móna concluded that it appears that the scheme has played a role in curbing turf cutting activities, as evidenced by a sharp decline in turf extraction rates.²⁰
- 21.70** The Department stated that based on an assessment of the total number of sites that showed evidence of cutting currently, and the total number of scheme beneficiaries, the scheme has compensated the majority of eligible turf cutters and has therefore achieved its core objective.²¹

Conservation target for active raised bogs

- 21.71** The most recent national conservation target for active raised bogs in Ireland is to restore and maintain a total area of 3,600 hectares of actively peat-forming habitat within a network of SACs and NHAs (see case study example in Figure 21.6).²² The achievement of this target requires both the cessation of turf cutting on designated bogs and the undertaking of associated restoration works.

¹⁹ *Assessment of impacts of turf cutting on designated raised bogs. Summary report, March 2006.*

²⁰ *Implementation of the Protected Raised Bog Restoration Programme on raised bog Special Areas of Conservation (SACs) and Natural Heritage Areas (NHAs). Summary Report on Turf Cutting on SACs, Bord na Móna, September 2025.*

²¹ The Department based its assessment on an estimate of 2,720 turf cutters from a 2006 assessment of impacts of turf cutting on designated raised bogs report.

²² [National Raised Bog Special Areas of Conservation Management Plan 2017 – 2022.](#)

Figure 21.6 Case study — Carrownagappul bog, County Galway

Restoration was completed on the Carrownagappul 'living bog' in 2019. It has been partially developed as an amenity site with a focus on education and leisure. The Galway living bog centre caters mainly to Irish and international primary and secondary schools. In 2025, 30 schools visited the centre and bog and, in 2026, 42 schools with a total of 1,500 students are expected to visit. The area is also used as a community amenity with several roads, tracks and boardwalks throughout the bog.

The final report on this site, published in 2022, concluded that there has been a substantial increase in active raised bog at this site in a very short timeframe after restoration.



Number of scheme beneficiaries: 110



Compensation paid under the scheme: €1,614,000



Cost of restoration to date: €298,000

A boardwalk in Carrownagappul



Moss and peat dams in a drain



Source: Department of Housing, Local Government and Heritage

21.72 Article 17 of the Habitats Directive requires that every six years member states prepare a report that includes an evaluation of conservation measures in relation to protected habitats and species. The most recent report (for 2025) shows an overall status of 'bad' for active raised bogs but notes that active raised bogs in Ireland increased by 7% between 2018 and 2024, marking the first positive change since assessments began in 2007. However, the restoration of peatlands has not yet reversed historic damage.

21.73 The report estimates that the current extent of active raised bog is at 1,853 hectares (51% of target). The target is a long-term national conservation target with no fixed date for achievement. The Department stated that following restoration works on high bog, it is estimated that it will take

- 12 to 18 years for active raised bog to recover, and
- more than 30 years for recovery on areas that have been cut.

Conclusions and recommendations

21.74 The 1992 Habitats Directive (the Directive) introduced restrictions on the cutting of turf on certain raised bogs in designated SACs. Since then, there have been significant delays in implementing the Directive, including an almost three-year delay in transposing the Directive into national legislation, and the granting of a derogation from the restrictions in the Directive which allowed turf cutting to continue on certain designated bogs until 2009.

21.75 In 2011, the European Commission (the Commission) commenced legal proceedings because it considered the measures taken by Ireland to comply with the requirements of the Directive were insufficient. The Commission referred a case against Ireland to the EU Court of Justice in March 2024, and a judgement in the case is now awaited.

21.76 The Department initiated the cessation of turf cutting compensation scheme in 2011, and specified dates for turf cutting to cease on targeted raised bogs in three phases. The scheme aims to compensate turf cutters impacted by the restrictions on turf cutting for 15 years. The Department announced the closure of applications for the scheme in 2024, but it continued to accept applications until June 2025.

21.77 Notwithstanding the implementation of the compensation scheme, the Department continued to identify a high number of instances where turf cutting was occurring on SACs every year up to and including 2022. Since then, the number of instances detected each year has fallen significantly. This coincided with the introduction of a revised compensation package with a substantial upfront payment.

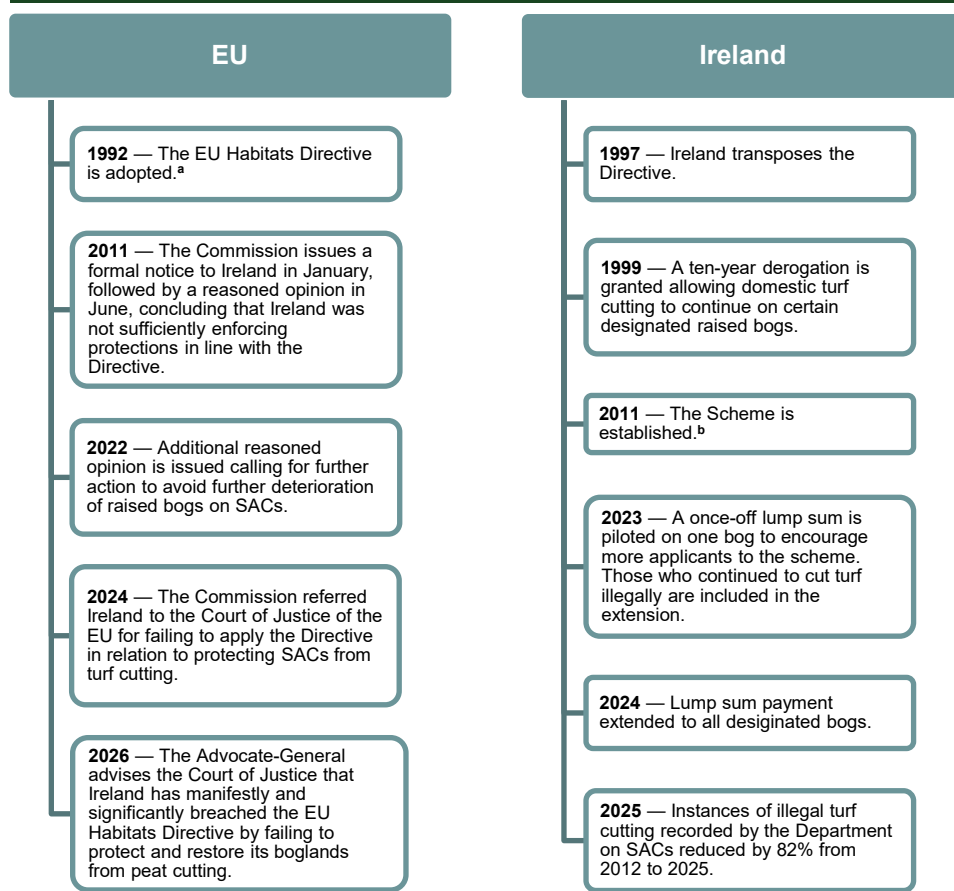
21.78 The area of raised bog designated for protection totalled 17,995 hectares across 214 separate bogs in SACs and NHAs. Based on surveys and aerial analysis, the Department estimates that turf cutting has ceased on 85% of the target raised bogland on SACs.

Scheme eligibility and compensation

- 21.79** Approximately 3,300 claimants availed of the scheme between 2011 and 2025 and received compensation mainly in the form of annual compensation payments. Some claimants were relocated to alternative bog plots away from SACs and NHAs. However, despite the statutory ban, turf cutting continued on many of the designated bogs. This may have included cutting by some of those in receipt of compensation, as well as owners of turf-cutting rights who had not applied for the scheme.
- 21.80** In 2023, the Department introduced a lump sum payment of €23,600 on one bog on a pilot basis. The amount was based on the rolled-up value of the scheme payments had the cessation commenced at the specified date for the relevant phase. In 2024, this payment option was introduced on all bogs. This change in scheme eligibility meant that one of the key original criteria of the scheme — cessation of cutting after the specified date — could not be applied. Turf cutters who had continued to cut turf after the cessation date were eligible for the payment once an undertaking to stop cutting turf was provided.
- 21.81** The Department recognised that this approach was inequitable and had the potential to undermine the scheme and other similar schemes. The introduction of the scheme along with revisions to it, such as the introduction of the lump sum payment for active turf cutters in July 2024, appear to have been driven principally by the EU peatlands infringement case and not by a coordinated long-term strategic approach. Figure 21.7 outlines key events in the Commission's proceedings along with Ireland's response.

Verification of eligibility

- 21.82** Scheme criteria require that an applicant must have had a legal interest/ownership or a turbary right in one of the designated bogs at 25 May 2010. There are a number of sources of evidence that the Department will accept in order for an applicant to demonstrate legal interest or ownership such as Land Registry records or Land Commission agreements.
- 21.83** In cases where the applicant is unable to provide direct proof of title from documentary evidence, there is an option whereby the applicant signs an affidavit confirming that they have a legal interest or turbary right in relation to the bog.
- 21.84** Overall, 43% of scheme beneficiaries relied on an affidavit to gain entry to the scheme. While facilitating and supporting access to compensation schemes of this type is important, it must be balanced against strong evidence that scheme criteria have been met.

Figure 21.7 European Commission case key events and scheme key events 1992 – 2026

Source: European Commission; Department of Housing, Local Government and Heritage. Analysis by the Office of the Comptroller and Auditor General.

Note: a Member states were required to transpose the Directive into national law by June 1994.
b The scheme is one of a number of measures taken by the Department to support compliance with the Directive. Other measures include restoration projects and land acquisitions.

Verification of cessation

21.85 One of the key scheme criteria that must be adhered to by all beneficiaries is the permanent cessation of turf cutting. The examination reviewed a sample of 30 compensation payments. Of the 30 payments reviewed, seven of the files did not contain any evidence of checks to ensure turf cutting had ceased and had not subsequently commenced.

21.86 The Department has stated that when indications of illegal turf cutting on a designated plot linked to a scheme beneficiary come to light, the Department contacts the relevant bog plot owner. Once the bog plot owner provides a declaration stating that they are not the person who cut turf on the plot and that the cutting was done without the consent of the scheme beneficiary, the Department considers that the matter is closed, and does not conduct any further checks or investigations to verify this statement.

- 21.87** Under the Habitats Directive, raised bogs within SACs are classified as priority habitats while NHAs are designated under the Wildlife (Amendment) Act 2000. Due to the difference in designation, the Department prioritises SACs for compliance activity. Turf cutting is illegal at both SACs and NHAs, without the express consent of the relevant statutory authority. For NHA bogs, warning lists are not compiled and statistics for illegal turf cutting instances are not available.

Recommendation 21.1

The Department should conduct more robust checks, investigations and enforcement action when indications of illegal turf cutting are identified to ensure that illegal turf cutting ceases on all statutorily designated bogs.

Accounting Officer's response

Agreed.

The Department believes that it has effectively halted illegal peat extraction on raised bogs through the introduction of the scheme, engagement with stakeholders and other enforcement and compliance measures. Nevertheless, to continue to fulfil the State legal obligations under the Habitats Directive and to address the peatlands infringement case, an action plan is in development which will set out further measures to ensure ongoing full compliance with this Directive and will include further consideration of the enforcement policy on protected bogs.

Timeline for implementation

December 2026.

Scheme objectives and outcomes

- 21.88** The key objective of the scheme is the cessation of turf cutting on protected bogs, in order to comply with the State's legal obligations to comply with the requirements of the Directive.
- 21.89** When the scheme was first introduced, detected instances of turf cutting on designated SAC bogs reduced by 44% between 2012 and 2013. However, the impact was stagnant for a period of nine years with no reduction in the level of illegal turf cutting detected. Following the introduction in 2023 of the lump sum payment, there was an increase in the scheme beneficiaries and a reduction of almost 60% in the instances of illegal turf cutting detected between 2023 and 2025.

Performance measurement

- 21.90** The Department publishes just one performance indicator in relation to the scheme i.e. "number of payments made to work towards a total cessation of turf cutting on designated raised bog SACs and NHA sites".
- 21.91** However, this metric has an activity-based focus, and does not provide insight, or an assessment of how the scheme is contributing to the achievement of the requirements of the Directive. Metrics with a results-orientated focus would allow the Department to better assess the effectiveness of this scheme.

Recommendation 21.2

The Department should ensure that the design of any new schemes with an environmental protection, conservation or restoration focus are informed by a comprehensive assessment of the outcomes and lessons learnt from this scheme and should have metrics that are linked to measurable ecological results.

Accounting Officer's response

Agreed.

The Department will undertake a review of the scheme following its completion. This report will assess the effectiveness of the scheme and lessons learnt. Any new schemes for nature restoration will take into account these learnings and include results-focused key performance indicators.

Timeline for implementation

December 2027.

Self-certification overpayments

- 21.92** In December 2011, in order to accelerate payments, the Department decided to make interim payments to applicants, prior to full verification. Following a retrospective criteria review, 33 beneficiaries who did not meet the scheme criteria were contacted in relation to recoupment of overpayments. From a total amount of €75,800 paid out, €6,800 was recouped. In late 2018, the Department decided not to pursue the remaining overpayments of €69,000 due to the passing of time, significant resources required to pursue recovery and limited likelihood of recoupment.
- 21.93** The overpayments have not yet been formally written off by the Department despite a proposal for write-off being prepared.

Recommendation 21.3

The Department should review and strengthen its procedures to ensure that overpayments are adequately pursued in a timely manner. In cases where a write-off is considered appropriate, it should be approved and disclosed in line with the requirements of the Department of Public Expenditure's *Public Financial Procedures*.

Accounting Officer's response

Agreed.

The Department acknowledges the importance of ensuring that overpayments are identified, pursued and managed in a timely manner and in accordance with the requirements of the *Public Financial Procedures*. The Department will take the necessary steps in early 2027 to complete the formal write-off of the outstanding balances in accordance with the *Public Financial Procedures*, including obtaining the required approvals and ensuring appropriate disclosure. The Department will also review existing procedures to ensure that appropriate arrangements continue to be in place for the identification, recovery, approval and reporting of overpayments.

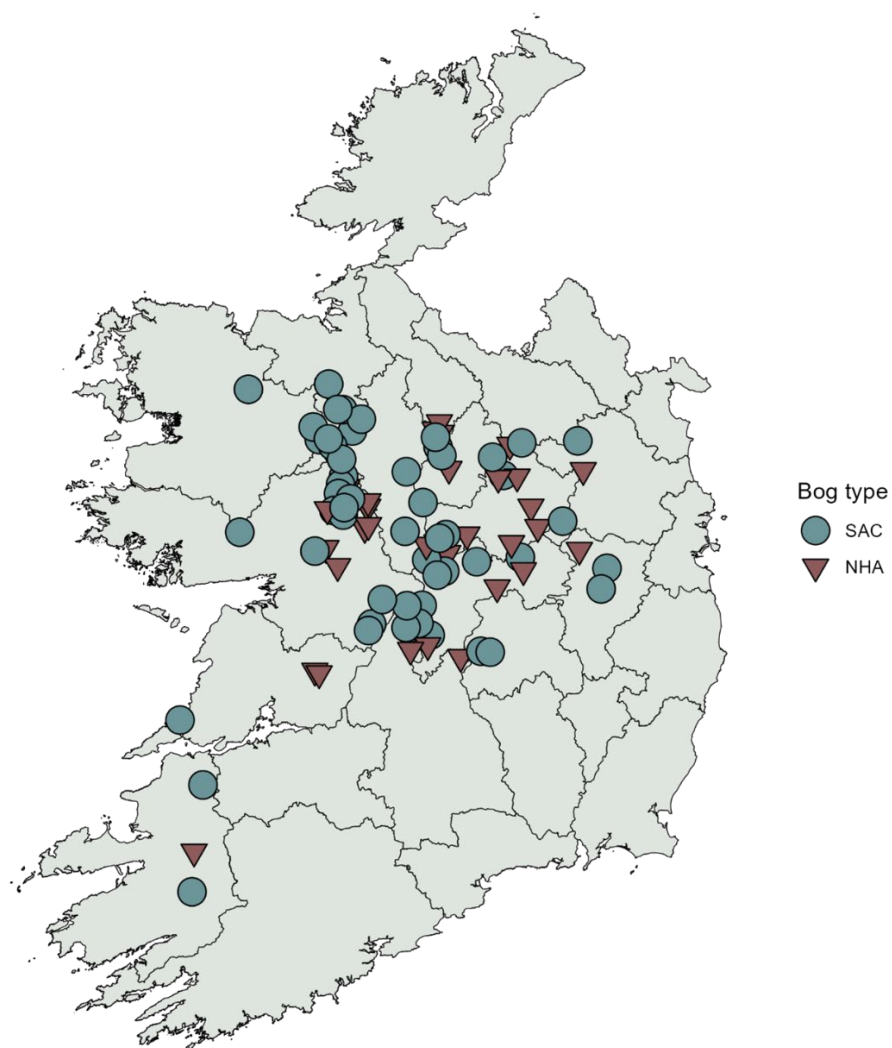
Timeline for implementation

March 2027.

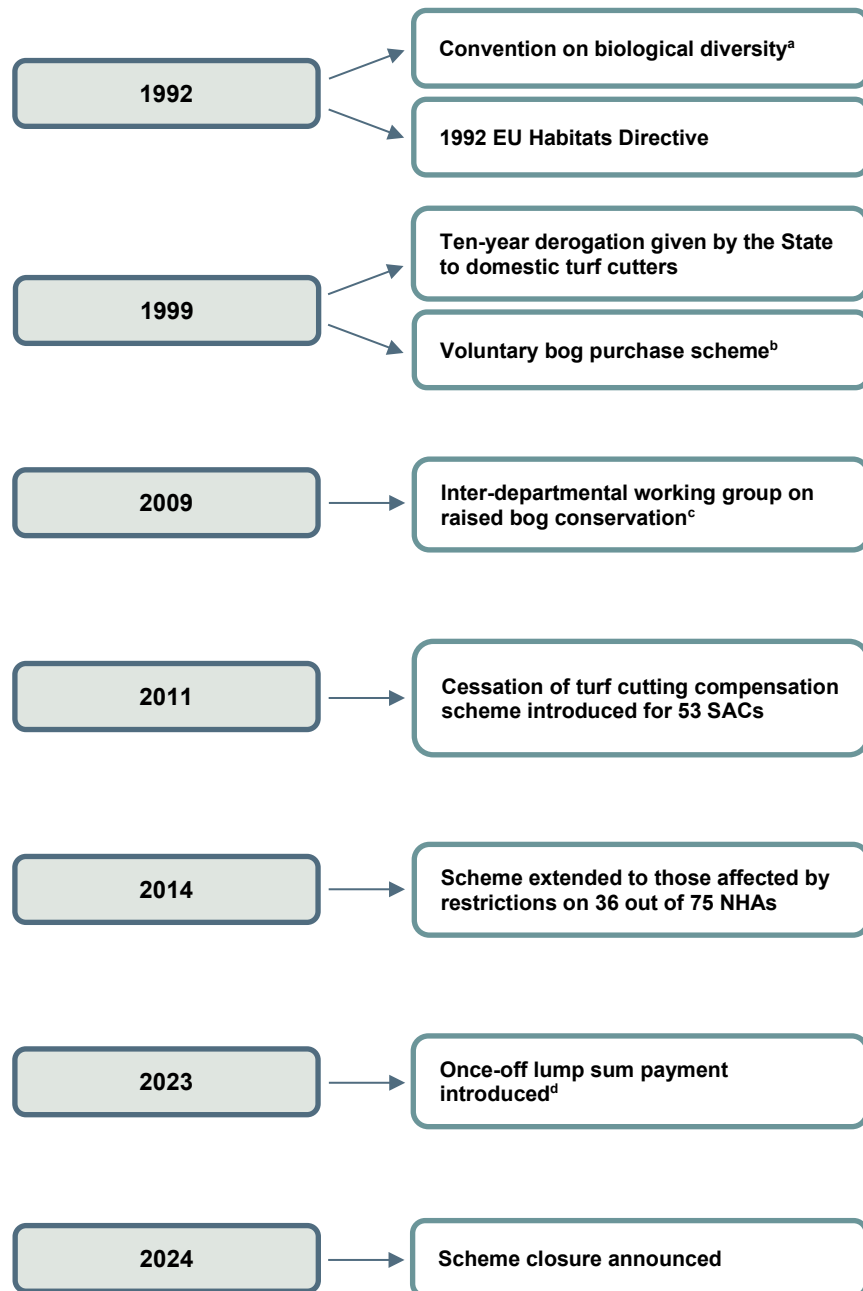
Contracted agent

- 21.94** In 2024, the Department engaged the services of a bog plot owner to leverage their expertise and networks with a view to increasing the number of applicants to the scheme. The agent was paid almost €130,000 for services provided in the period April 2024 to August 2025. There was no competitive procurement of the services.
- 21.95** The evidence available to support and verify the agent's work is limited. The Department has stated that it requested the agent to dispose of records related to the work for data security reasons.
- 21.96** In addition, the agent was also a beneficiary of the scheme lump sum payment while working for the Department. The Department does not consider any conflicts of interest arose as a result of the contract.

Annex 21A Location of SACs and NHAs within the scheme



Source: Department of Housing, Local Government and Heritage. Analysis by the Office of the Comptroller and Auditor General.

Annex 21B Key milestones in the scheme

Source: Department of Housing, Local Government and Heritage. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a This is a global treaty agreed at the Earth Summit. Ireland is a signatory.
 - b This allowed the turf cutters to sell their land or rights to the Department at agreed rates. The rates were increased in 2004. It closed to new applicants in May 2010.
 - c In 2010, the working group recommended a move towards a national cessation and compensation scheme. Also in 2010, an interim payment scheme was introduced as an emergency measure. €177,000 was spent on the scheme.
 - d The introduction of the once-off lump sum payment was piloted in 2023 on one bog and expanded to other bogs in 2024.

Annex 21C Scheme criteria required and sources of verification

Criteria	Departmental verification sources
1. The applicant must have had a legal interest/ownership or a turbary right in one of the 31 raised bog SACs on 25 May 2010 and must have had the right to cut and remove turf from that property on that date.	- Land Registry folio and map checked to Tailte Éireann records. - Irish Land Commission Q3 agreement.^a - Confirmation from the Department of Agriculture, Food and the Marine that a Q3 agreement exists. - Confirmation from Bord na Móna where it has allocated the plot/right. - Central Fisheries Board maps. - Death certificate and will/grant of probate in cases of inheritance. - Signed affidavit by the applicant.
2. The applicant has been cutting turf on the said lands for domestic purposes during the five-year qualifying period. ^{b,c}	- GIS mapping tool 'Bogsviewer'. - Assessment by a Peatland District Conservation Officer — desktop or onsite. - Bord na Móna extraction assessment.
3. There has been no turf cutting or associated activity on the property since the cessation date for the scheme and the turbary right/turf resource has not been exhausted. ^d	- GIS mapping tool 'Bogsviewer'. - Warning lists. - Bord na Móna mapping.

Source: Department of Housing, Local Government and Heritage. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a A Q3 agreement is a standard Irish Land Commission purchase contract used for a turbary plot or small parcel of bog, setting out terms and conditions. Following the Land Commission's dissolution, its remaining functions and records were transferred to the Department of Agriculture, Food and the Marine.
 - b Due to restrictions being introduced at different times, there are three qualifying periods: 31 SACs — May 2005 to May 2010, 24 SACs — 2007 to 2011 and NHA is 2009 to 2013 with a three-year derogation based upon the granting of individual consent for continued turf cutting by the Minister.
 - c If an applicant transfers from the voluntary bog purchase scheme, they do not have to have cut in the qualifying period of the scheme and will qualify once they have met the other qualifying criteria.
 - d The need to meet this criterion was removed on one bog in 2023 and for all bogs in July 2024.

22 Cancellation of a social housing PPP procurement

- 22.1** This report sets out the circumstances which led to the Department of Housing, Local Government and Heritage (Department of Housing) cancelling a social housing public private partnership at pre-contract stage, resulting in a settlement payment of €4 million to the preferred bidder.

The public private partnership model

- 22.2** 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 use and is paid for by the public authority and/or by users (through user charges) over an extended period — typically 25 years. The private partner is responsible for maintenance during the contract term, at the end of which the asset transfers into public ownership.
- 22.3** Guidelines from the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (Department of Public Expenditure) on the use of PPPs require comprehensive and dynamic evaluation to confirm that a PPP project is likely to provide value for money (VFM) to the State.
- 22.4** Development of a PPP project is a lengthy and complex process for both the public and private partners, requiring specialist technical, legal, procurement and financial knowledge and expertise, as well as understanding of the public service to be delivered. The National Development Finance Agency (NDFA) is a division of the National Treasury Management Agency tasked with assisting government departments and other public bodies engaged in developing PPP proposals.
- 22.5** Risk is an inherent aspect of any large project. In PPP projects, considerable effort has to be invested by the approving authority (and the authority's advisors) to identify who should manage which project risks.¹ The aim is to allocate the risks between the public and private partners based on who is best placed to manage them. The risk allocation strongly influences the price a potential private partner will propose. The private partner may seek a premium in the amount charged if too much risk is allocated to them.
- 22.6** A sequence of four formal tests of the VFM of a proposed PPP are performed by the NDFA over the course of the development of the project
- a preliminary appraisal of the case for undertaking the development, and of doing so through a PPP procurement process or through traditional procurement
 - the preparation of a comprehensive public sector benchmark (PSB), which represents the full estimated costs of procuring the project using traditional public sector procurement methods

¹ For the purpose of PPPs, the approving authority refers to the specific government department, local authority or state agency that holds ultimate responsibility for the PPP project.

- comparison of the projected cost of the highest-rated PPP tender proposal to the PSB, to decide if a 'preferred bidder' should be nominated, and whether negotiations with that preferred bidder should commence
- updating the PPP-versus-PSB comparison with any changes that may occur during the preferred bidder negotiation stage in order to confirm that the final proposal represents VFM and that a contract should be awarded to the preferred bidder.

22.7 In Ireland, PPPs have been developed and delivered in a range of public service areas, including in education, transport, health, tourism and the courts service.²

Social housing PPP programme

22.8 In 2014, the Government announced its plan for a social housing PPP programme as part of its *Social Housing Strategy 2020*. The strategy envisaged the delivery of up to 1,500 social housing units across three initial 'bundles' of sites — referred to as Bundles 1, 2 and 3 — each of which represented a separate PPP project. The sites in each bundle were in local authority ownership, across several local authorities. The Department of Housing was the approving authority for the overall programme and was to provide the public funding for the programme from a subhead of Vote 34 Housing, Local Government and Heritage. One of the local authorities with an interest in a bundle was appointed the lead local authority for each bundle.

22.9 The social housing PPP programme utilises what is termed an 'availability-based' PPP model, in which a private sector consortium designs, builds, finances, maintains and operates the social housing units in return for a monthly unitary charge payment. This payment commences upon completion of the units and runs for 25 years from the completion of construction on each site. It incorporates all construction, maintenance and lifecycle costs for 25 years under the contract, including

- initial construction cost of the units
- maintenance costs
- operating costs
- lifecycle costs
- tenancy management
- financing costs, and
- service provision, which includes building and asset management, void management, tenant helpdesk services, etc.

22.10 The monthly unitary payments comprise two elements: a fixed-cost element linked to the initial construction and development costs and a variable (inflation-indexed) element linked to the recurrent maintenance, management and operational costs.

² See *Report on the Accounts of the Public Services 2025*, chapter 1, [Exchequer financial outturn for 2025](#). The aggregate liability for payments under PPPs at 31 December 2025 is approximately €6.59 billion.

Bundles 1 and 2

- 22.11** Bundle 1 was completed by June 2021 and provided 534 units across six sites in the Greater Dublin Area. Two of the sites are located in Dublin City, with one each in South Dublin, Kildare, Wicklow and Louth. Dublin City Council was engaged as the lead local authority for the delivery of Bundle 1.
- 22.12** The construction capital cost included in the financial proposal for Bundle 1 amounted to €119 million (excluding VAT) or approximately €222,000 (excluding VAT) on average for each of the 534 units. Over the lifetime of the PPP — 2021 to 2046 — the expected total State expenditure on the contract is €342 million (including VAT).³ This equates to approximately €640,000 (including VAT) on average for each of the 534 units.
- 22.13** Bundle 2 was completed in December 2021 and provided 465 units across eight sites. Three of the sites are located in the Cork County local authority area, with one site each in Galway City, Waterford, Clare, Kildare and Roscommon. Cork County Council was engaged as the lead local authority for Bundle 2.
- 22.14** The construction capital cost included in the financial proposal for Bundle 2 amounted to €129 million (excluding VAT) or approximately €277,000 (excluding VAT) on average for each of the 465 units. Over the lifetime of the PPP — 2021 to 2046 — the expected total expenditure on the project is €289 million (including VAT).³ This equates to approximately €622,000 (including VAT) on average for each of the 465 units.

Tendering and evaluation for Bundle 3

- 22.15** The Department of Housing commenced the tendering process for Bundle 3 in December 2022. This was planned to deliver 486 units at six sites (see Figure 22.1). The target completion date of the units was Q3 2027.

Figure 22.1 Proposed composition of social housing PPP Bundle 3

Local authority	Site	Units
Dublin City Council	Ready Mix Site, East Wall, Dublin 3	68
Dublin City Council	Shangan Road, Ballymun, Dublin 9	93 ^a
Dublin City Council	Collins Avenue, Dublin 9	83
Kildare County Council	Ardew, Athy	73
Sligo County Council	Rathellen, Finisklin	63
Wicklow County Council	Burgage More, Blessington	106
Total		486

Source: Department of Housing, Local Government and Heritage

Note: a Specialist senior citizen units.

³ Estimate as at 31 December 2025. The estimate assumes inflation to end of contract will average 2% per year.

- 22.16** Pre-qualification submissions were received from four candidates and, following evaluation, three tenderers were shortlisted. Final tenders from each of the three were submitted in June 2024. These were all significantly higher than the cost of the previous bundles with the proposed construction capital cost per unit being in the range €428,000 to €505,000 per unit (excluding VAT). The total expected cost of the project over its lifetime was estimated to be €1.28 million per unit including VAT.
- 22.17** The Accounting Officer stated that the PPP Bundle 3 procurement competition was run in line with Department of Public Expenditure guidance for PPPs and costs were evaluated in terms of VFM at every stage against a PSB. The third VFM test was carried out at tender evaluation stage and was completed on 23 September 2024. The Accounting Officer also stated that as the proposal of the best-value tenderer was estimated to be lower than the PSB, it was considered that the VFM test was passed allowing for progression to the next stage i.e. preferred bidder nomination.
- 22.18** There was no obligation on the Department of Housing to nominate the preferred bidder. Notwithstanding the substantially greater proposed unit cost, the Department appointed a preferred bidder on 8 October 2024 and commenced a negotiation process.
- 22.19** A working group with representation from the Department of Housing, Dublin City Council, the NDFA, the Housing Agency and the Local Government Management Agency was established in January 2025 to review the causes of the increase in delivery costs.
- 22.20** A cost review was completed in February 2025 by the Department of Housing comparing Bundle 3 to Bundle 2. The review concluded that there was a significant increase in the unit cost of Bundle 3 compared to Bundle 2 and that much of this increase was not explained by inflation. The increase in unit cost above inflation was attributed to differences in the site conditions, typology and specifications and the proposed developers' margin.
- 22.21** A report of the working group in March 2025 noted that there had been significant construction cost inflation and interest rate increases since 2019 and that differences in scope and specification had contributed to a doubling of delivery costs for the project when compared to Bundles 1 and 2. The working group further noted that Bundle 3 had passed the first three VFM tests.
- 22.22** In June 2025, the Department of Housing made the decision not to proceed with the Bundle 3 PPP on the basis that it considered the overall costs for the project to be too high. The tender process provided for an option to withdraw from the procurement process at any stage prior to the execution of a binding project agreement.
- 22.23** The Department has now decided that Bundle 3 will be six individual projects, delivered through traditional procurement processes and funded directly from the Exchequer through the Social Housing Capital Investment Programme. Approximate capital construction cost per unit is now estimated as being €494,000 (excluding VAT) and estimated delivery is now Q4 2028/Q1 2029, approximately 18 months after the original planned delivery date.

Settlement of legal proceedings

- 22.24** The preferred bidder appointed for Bundle 3 commenced judicial review proceedings in July 2025 to challenge the Department of Housing's decision to withdraw.
- 22.25** The Department of Housing, following legal advice, entered mediation with the preferred bidder. The preferred bidder had submitted a claim for the cost of work done and for loss of opportunity to pursue alternative projects during the preferred tendering stage.
- 22.26** The parties reached a settlement of €4 million which was paid in October 2025. The Department of Housing considered this amount to be broadly in line with the cost of the work completed by the preferred bidder during the tender stage, including utility connections, diversion preparations, advancement of planning conditions, tree felling, site clearance and design drawings.
- 22.27** The Accounting Officer stated that the work completed will be of benefit to the State and will save on some costs which would otherwise arise through the local authority direct-build route now underway. Design documentation produced by the preferred bidder was provided to the relevant local authorities informing and supporting the local authority direct-build tendering process. The value of the site works and utility preparations is also expected to provide a cost saving to the local authorities progressing the direct-build projects.
- 22.28** The Accounting Officer also noted that the settlement avoided potentially costly legal proceedings as well as the possibility of an injunction preventing development of the sites until legal proceedings had ended.

Conclusions

- 22.29** Because of the complexity of public private partnership (PPP) projects, both the public and private partners incur significant costs at the procurement, design, planning and contract negotiation stages. Guidelines for the development of PPPs are designed to ensure that the value for money (VFM) of proposals is considered in a dynamic way throughout the process, taking account of the latest information and providing the opportunity for the process to stop if good value is unlikely to be achieved.
- 22.30** The proposed capital cost per unit for Bundle 3 was more than double the estimated capital cost of Bundle 1 and nearly 70% above that of Bundle 2. This high cost was evident when the tenders were received but the PPP tender proposal was assessed as having passed the PSB test. The preferred bidder was appointed based on the results of the test, but further investigation of the proposed costs gave rise to value for money concerns. These resulted in the Department of Housing's decision to cancel the Bundle 3 PPP, with an expected cost of €1.28 million per unit over the 25-year lifetime of the project, and to proceed with the construction using the traditional procurement model.
- 22.31** While potentially avoidable settlement costs arose from the decision to cancel the PPP process, this appears to have been the preferred outcome rather than proceeding with what might have been a poor value for money PPP project.

23 Obsolescence of Light Tactical Armoured Vehicles

- 23.1** The Appropriation Account for Vote 36 Defence includes an impairment charge in the operating cost statement of €2.77 million in respect of certain military vehicles. This report sets out the background to the impairment.

Procurement of the vehicles

- 23.2** In December 2008, the Department of Defence (the Department) entered into a contract to purchase 27 Light Tactical Armoured Vehicles (LTAVs) for €19.6 million, including VAT.
- 23.3** The purchase followed a competitive procurement process, with a number of established vehicle manufacturers being invited to tender. Six substantial tenders were received. Of these, three manufacturers were shortlisted to take part in a detailed trial and evaluation programme to determine the vehicles that best matched the requirements and specifications set out in the request for tender. This included the physical presentation of vehicles for trials in the Curragh Camp.
- 23.4** The advertised contract award criteria used to evaluate the tender offers were
- functional characteristics and functional performance — 25%
 - technical merit and technical performance — 23%
 - price — 22%
 - ease of maintenance, technical support and after-sale service — 10%
 - cost and ready availability of spare parts — 8%
 - warranty terms — 7%
 - delivery schedule from contract signature — 5%.
- 23.5** The Accounting Officer has stated that evaluation of the tenders concluded that the winning tender represented excellent value.
- 23.6** At the time of contract award, a number of modifications to the vehicle proposed by the contractor were identified as being required for the vehicle to fully meet Defence Forces operational needs as well as to comply with EU regulations. This necessitated a number of design modifications to the engine, braking and steering systems and to integrate government-furnished equipment. The required modifications were carried out by the manufacturer pre-delivery. The costs associated with these modifications is therefore included in the original contract price.
- 23.7** The vehicles purchased were delivered in 2010, and comprised the following (prices are VAT inclusive)
- 15 standard vehicles at a cost of €590,000 each
 - six cavalry vehicles at a cost of €593,000 each

- four artillery vehicles at a cost of €696,000 each
- two communications variant vehicles at a cost of €600,000 each.

23.8 A number of minor design modifications were undertaken post-delivery, at a cost of €633,000 i.e. around €23,000 per vehicle.

23.9 Purchase of a supply of spare parts for the fleet also formed part of the contract. The total acquisition cost of the vehicles including pre- and post-delivery modifications and the spare parts was just over €20 million, including VAT.

Expected useful life and depreciation

23.10 The Department expected that the vehicles would be in use for a 20-year period i.e. until 2029. The vehicles were added to fixed assets at an acquisition cost of €16.4 million. Depreciation was to be on a straight-line basis over 20 years — i.e. 5% a year — to a nominal residual value of €5,000 per vehicle. However, due to an administrative error, only 17 of the vehicles were categorised correctly as armoured fighting vehicles having an expected useful life of 20 years. The other ten vehicles were categorised as heavy transport vehicles, with an expected useful life of 12 years. As a result, accelerated depreciation was applied to the miscategorised vehicles.

23.11 The vehicles were used on overseas missions and for training purposes in Ireland. The overseas deployments included various United Nations missions in Lebanon and Syria, as well as with EU battlegroups. The Accounting Officer stated that the LTAV fleet delivered critical tactical, operational and psychological advantages for Defence Forces personnel on active overseas duty in hostile environments.

23.12 The LTAV fleet was withdrawn from active service entirely in December 2023 i.e. after an average service life of around 14 years.

Utilisation of the fleet

23.13 According to the Department's records, the average mileage on the 27 vehicles was around 20,800 kilometres per vehicle over the 14 years they were classified as being in use. This represents an average annual mileage per vehicle of less than 1,500 kilometres. The least-used vehicle indicated recorded mileage of 8,400 kilometres over its lifetime — an average of just 600 kilometres per year.

23.14 The mileage data provided by the Department indicates nil recorded mileage for some vehicles in some years and gaps in the record for other years. Some of the mileages recorded stand out as being untypical for the vehicle, and a negative mileage is recorded in one case.

23.15 The Accounting Officer has stated that there was a known reliability issue affecting the fleet's dashboard instrumentation, including the odometer system. As a result, a number of vehicles experienced odometer failures requiring reset or replacement of the unit. In certain instances, zero readings were recorded following such interventions.

- 23.16** The Accounting Officer stated that the existence of odometer resets, replacements and anomalous readings presents challenges in establishing a complete and fully auditable record of cumulative mileage for the fleet over its entire service life.

Maintenance and repairs

- 23.17** Up to their withdrawal from service in 2023, maintenance costs on the LTAV fleet totalled €3.05 million, an average of around €113,000 per vehicle, or approximately €8,000 per vehicle per year over 14 years. Average maintenance, repair and replacement costs may have increased as the vehicles aged, but these costs were avoided by withdrawing the vehicles from use.
- 23.18** The Accounting Officer has stated that the maintenance expenditure incurred while the vehicles were in service equates to approximately 13% of the total cost of ownership, and that this compares exceptionally well against standard benchmark rates for military vehicle fleets, where maintenance and operational support typically account for 65% of the total life cycle cost for military ground vehicles.
- 23.19** The Accounting Officer has stated that a significant issue with the fleet was identified in 2011. There was a major driveline failure involving an LTAV while travelling on an Irish motorway. This resulted in extensive damage to driveline components and caused a fire beneath the vehicle's hull which was successfully contained by the vehicle operator. Following an investigation, this defect was determined to fall within the manufacturer's warranty obligations, and remedial action was taken to address the matter under the warranty arrangements.
- 23.20** In addition to the technical issues identified with the vehicles, the Military Authorities reported that the maintenance and support of the fleet was adversely affected by difficulties in the supply of spare parts. The procurement of replacement parts was often subject to major delays, affecting repair timelines, vehicle availability and the efficient sustainment of the fleet. The Department worked with the manufacturer and other stakeholders, where necessary, to mitigate the operational impact of these supply chain constraints and to maintain fleet serviceability as far as was practicable.
- 23.21** The Accounting Officer has stated that the issue of spare parts availability and supply chain resilience are widely recognised internationally as one of the principal determinants of military vehicle readiness and operational availability. This issue is not unique to the LTAV fleet, it is a recurring challenge across armoured vehicle fleets operated internationally. Studies undertaken by industry experts and other international bodies have identified spare parts availability, technical support and security of supply as recurring challenges affecting military readiness.
- 23.22** In April 2024, after the fleet had been retired, an engineering contractor found significant cracks in the chassis of one of the vehicles and recommended the vehicle should be declared unfit for use until all necessary repairs were carried out.

Disposal planning

- 23.23** The Department and the Defence Forces made an offer to donate the vehicles to the Ukrainian Armed Forces but this was declined as the LTAV fleet was deemed unsuitable for their requirements. No decision has been made yet as to how to dispose of the vehicles.

Views of the Accounting Officer

- 23.24** The Accounting Officer has stated that procuring the LTAV fleet delivered critical tactical, operational and psychological advantages for Defence Forces personnel on active overseas duty in non-permissive environments. In hostile territories where opposing forces possess both the intent and capability to disrupt operations, these assets maximised survivability and force protection for Defence Forces personnel without compromising mission capability. The fleet also supported home-based training.
- 23.25** The Accounting Officer acknowledges that, despite the initial successes, the LTAV fleet did not sustain these operational benefits over the long term as originally planned. Issues regarding in-service longevity and performance benchmarking limited the fleet's extended utility. However, this shortfall provided critical insights. The resulting lessons learned have already been successfully integrated into subsequent procurement frameworks to optimise future fleet lifecycles.
- 23.26** Consequent to the issues around spare parts availability, the Accounting Officer stated that contemporary defence acquisition policy places significantly greater emphasis on whole-of-capability planning, lifecycle support, supply chain resilience and government-to-government procurement mechanisms designed to provide long-term assurance of support, upgrade pathways and security of supply throughout the lifetime of an asset.
- 23.27** The Accounting Officer has stated that the Department's procurement practice has evolved so that it places equal emphasis on the acquisition of the platform itself and on the arrangements required to sustain, upgrade and support that capability throughout its operational life.

Conclusions

- 23.28** Given the early withdrawal from service of the LTAV vehicles, and their apparent light use while in service, the Department and the Defence Forces did not receive the service they expected from the vehicles. As a result, there was a significant loss of value arising from their purchase. The loss of value is significantly greater than the write down of €2.77 million in the carrying value recognised in the 2025 financial statements.
- 23.29** The lack of reliable mileage records for a substantial fleet of vehicles over an extended period is a serious fleet management control failure. While there may have been a technical problem that contributed to this, this should have been identified quickly by Defence Forces fleet managers, and the Department should have sought to have the matter rectified at the manufacturer's expense. The Defence Forces should ensure that all vehicles now in service have reliable log books and routine, accurate recording of mileage undertaken.

- 23.30** The Department has stated that it has learned lessons from this procurement and that its procurement process has evolved significantly since 2008, with the objective of optimising the lifecycle of expensive military equipment it acquires.

24 Regularity of social welfare payments

- 24.1** 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.

- 24.2** 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 identification of a change in the claimant's circumstances not notified to the Department — or official error (see Annex 24A).

- 24.3** In 2025, the Department's scheme expenditure totalled €26.56 billion.¹ This level of expenditure means that even a low incidence of irregular payments on schemes can result in a substantial monetary loss to Vote 37 Social Protection or to the Social Insurance Fund (SIF).

- 24.4** This chapter assesses the regularity of social welfare payments for 2025 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

- 24.5** The Department undertakes a programme of surveys of scheme payments in order to estimate the level of excess payment that is occurring. This is a key measure for the Department to prevent, detect and deter fraud and error in its scheme payments. The surveys also assist the Department in identifying scheme-specific risks and improvements to the control measures in place.²

- 24.6** 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. The Department has committed to publishing two control surveys on an annual basis.

¹ This does not include the Department's administration expenses (€763 million) nor grant funding of €65 million paid to the Citizens Information Board.

² The Department published the methodology for control surveys in May 2022, available [here](#).

Department of Social Protection: 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 more than their entitlements on the scheme reviewed but would be entitled to a different social welfare payment.

The Department considers the net excess payment identified to be the more accurate measure of the level of excess payment on schemes.

Control survey coverage

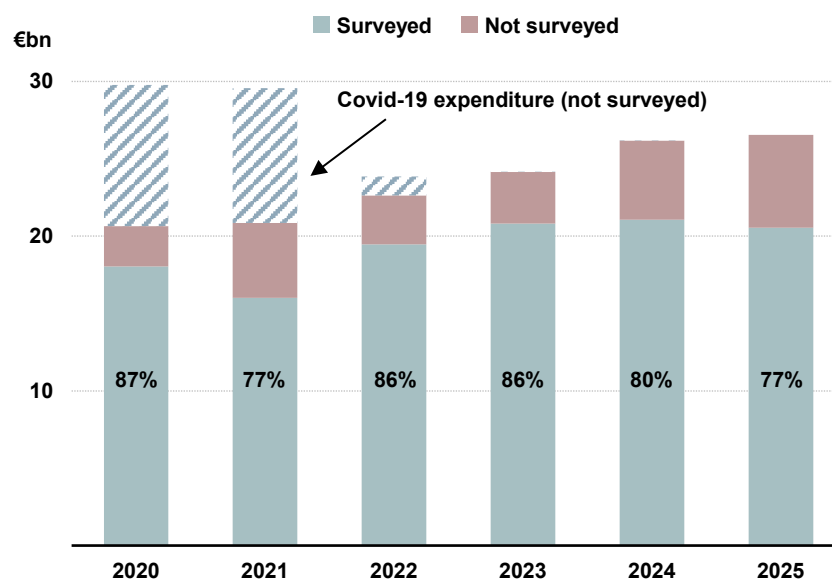
24.7 77% of the Department's total scheme expenditure in 2025 was on schemes subject to control surveys conducted within the last ten years (see Figure 24.1). This was a decrease from 80% of the total scheme expenditure in 2024, and from 86% in 2023.

24.8 The decrease in control survey coverage is due to a combination of factors

- a number of schemes with relatively high expenditure have not been surveyed within the last ten years e.g. illness benefit and invalidity pension were last surveyed in 2015
- recently introduced schemes have not yet been subject to a control survey e.g. jobseeker's pay-related benefit introduced in March 2025, expenditure of €297 million, and
- there has been a focus on rolling surveys in recent years e.g. jobseeker's allowance has been surveyed five times within the last six years.

24.9 The Department stated that factors such as risk, expenditure, and the time since the scheme was last surveyed, are considered when selecting the schemes for control survey. In general, the Department aims to survey schemes within a ten-year period.³ The schemes surveyed by the Department since 2017 are set out in Annex 24C.

³ Control surveys are not considered necessary for all schemes and so 100% coverage within a ten-year period is not planned. For example, the Department may not consider it cost-effective to carry out a control survey on schemes which are subject to an annual review of all claimants (e.g. working family payment) or schemes with very few claimants (e.g. health and safety benefit).

Figure 24.1 Coverage of scheme expenditure provided by control surveys^a

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 (2017 to 2026). Coverage calculation excludes Covid-19-related schemes.

Implications of control surveys for audits

24.10 There is wide variation in the level of excess payments found by surveys undertaken since 2017 (see Figure 24.2).

- In relation to Vote-funded schemes, estimated rates of net excess payments range from 1.4% of scheme expenditure on child benefit, to 9.1% of scheme expenditure on carer's allowance.
- Estimated rates of net excess payments for SIF schemes range from 0.9% (contributory State pension) to 8% (jobseeker's benefit).

24.11 Based on the schemes surveyed in the last ten years, the weighted average rate of net excess payments was 3.17%.⁴

⁴ Calculated using 2025 expenditure for the schemes surveyed in the last ten years (77% of the total scheme expenditure).

Figure 24.2 Estimated level of net excess payments in schemes subject to control surveys published since 2017

	Scheme (and survey report date)	Scheme cost in 2025 €m	Estimated level of net excess payment ^a
Vote-funded schemes	Disability allowance (2023)	2,477	5.7%
	Child benefit (2022)	2,229	1.4%
	Jobseeker's allowance (2026)	1,752	6.2%
	State pension (non-contributory) (2025)	1,336	6.1%
	Carer's allowance (2018)	1,306	9.1%
	One-parent family payment (2026)	756	4.7%
	Supplementary welfare allowance (BASl) (2017)	92	2.6%
	Back to work enterprise allowance (2019)	30	3.3%
Social insurance funded schemes	State pension (contributory) (2024)	8,174	0.9%
	Widow's/widower's/surviving civil partner's contributory pension (2024)	1,986	1.3%
	Jobseeker's benefit (2023)	402	8.0%

Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Note: a The net excess payment is the value of all gross 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

24.12 The Department published two control surveys in 2026, focused on the jobseeker's allowance and one-parent family payment schemes.⁵ Both schemes are Vote-funded.

Jobseeker's allowance

24.13 The jobseeker's allowance scheme incurred expenditure of €1.75 billion in 2025. There were just over 107,000 claims in payment in December 2025. The allowance is a means-tested weekly payment to individuals working three days a week or less, who are habitually resident in the State, and are genuinely seeking full-time employment.⁶ From January 2026, the personal scheme payment rate is €254 per week.⁷

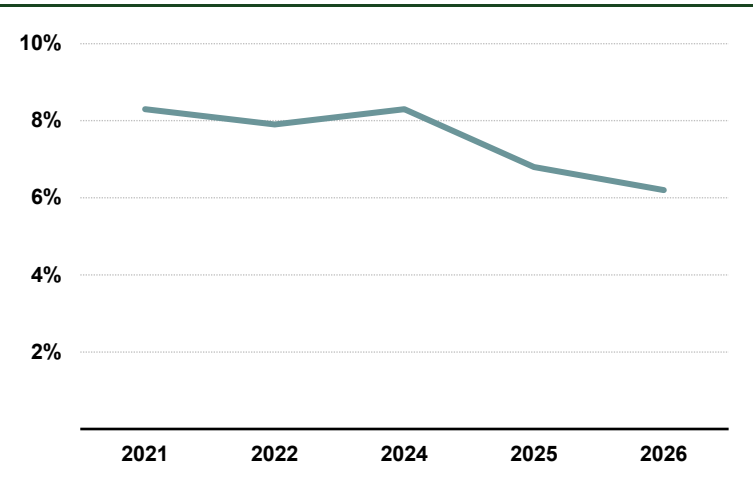
24.14 The Department has undertaken a rolling control survey of the jobseeker's allowance scheme in recent years, with five control surveys completed over the last six years. In general, the net excess payment rate has declined over this period, reducing from 8.3% in 2021 to 6.2% in 2026 (see Figure 24.3).

⁵ See control surveys published in 2026, [jobseeker's allowance](#) and [one-parent family payment](#).

⁶ The claimant must be over 18 and under 66 years of age.

⁷ A reduced personal rate of €163.70 is paid to those aged 18 – 24 and not living independently. An additional payment may be made for qualifying dependent adults or children.

**Figure 24.3 Estimated level of net excess payments in
jobseeker’s allowance scheme subject to control
surveys published 2021 – 2026**



Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

- 24.15** In March 2026, the Department published the results of the most recent jobseeker’s allowance control survey. The survey examined 750 claims in payment in 2024 and 2025 in two batches — 500 in August 2024 and 250 claims in March 2025.
- 24.16** The control survey found that 130 (17.3%) of the jobseeker’s allowance claimants surveyed were receiving more than they were entitled to. The value of the net excess payments was estimated to be 6.2% of expenditure on the sampled cases.⁸
- 24.17** The control survey also found 6.3% of claimants surveyed were being underpaid, with the underpayments equivalent to 0.4% of scheme expenditure across all claims examined.
- 24.18** The reduction in the net excess payment rate detected by the survey is in line with the Department’s expectation that a continued focus on the jobseeker’s allowance rolling control surveys and implementation of measures to improve control activity would have a positive impact on the net excess payment rate.
- 24.19** The main risk identified related to excess payments arising due to claimants having means other than from employment. Additionally, the Department identified trends concerning excess payments within certain groupings such as part-time or casual workers (see Figure 24B.1).
- 24.20** While the decline in the excess payment rate is positive, the rate for 2026 of 6.2% remains 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. These include a continuing focus on key controls such as a requirement for all jobseekers to participate in labour market activation services and for all new applicants to be paid in person at a nominated post office (see Figure 24B.1).

⁸ The main causes of excess payments identified remain: wilful concealment of facts (3.2% of expenditure from claims examined) and unreported changes in circumstances (1.9% of expenditure from claims examined).

One-parent family payment

- 24.21** The one-parent family payment scheme is funded by the Vote, with expenditure of €756 million in 2025. There were over 43,000 claims in payment in December 2025. This is a means-tested weekly payment to a qualifying parent caring for one or more children without the support of a partner. The payment stops once the claimant's youngest child turns seven. From January 2026, the maximum personal rate of payment is €254 per week. An additional child support payment is paid for each qualified child dependent.⁹
- 24.22** In March 2026, the Department published the results of the one-parent family payment control survey. The survey examined 600 claims in payment in October 2024.
- 24.23** The control survey found that 130 (21.7%) of the one-parent family payment claimants surveyed were receiving more than they were entitled to. The value of the net excess payments was estimated to be 4.7% of expenditure on the sampled cases.¹⁰
- 24.24** The control survey also found 8.8% of claimants surveyed were being underpaid, with the underpayments equivalent to 0.9% of scheme expenditure across all claims examined.
- 24.25** The net excess payment rate of 4.7% detected by the survey has decreased from that detected in the previous control survey published in 2021 (5.9%).
- 24.26** The main risk identified related to excess payments arising for claimants with additional means, for example from work earnings (see Figure 24B.2).
- 24.27** The excess payment rate of 4.7% remains high. The Department outlined the steps taken to address the key scheme risks identified by the survey and to improve the controls over one-parent family payment. This includes amending the process in place to assess claimant's continued eligibility for the scheme on an annual basis (see Figure 24B.2).¹¹

Review of control survey methodology

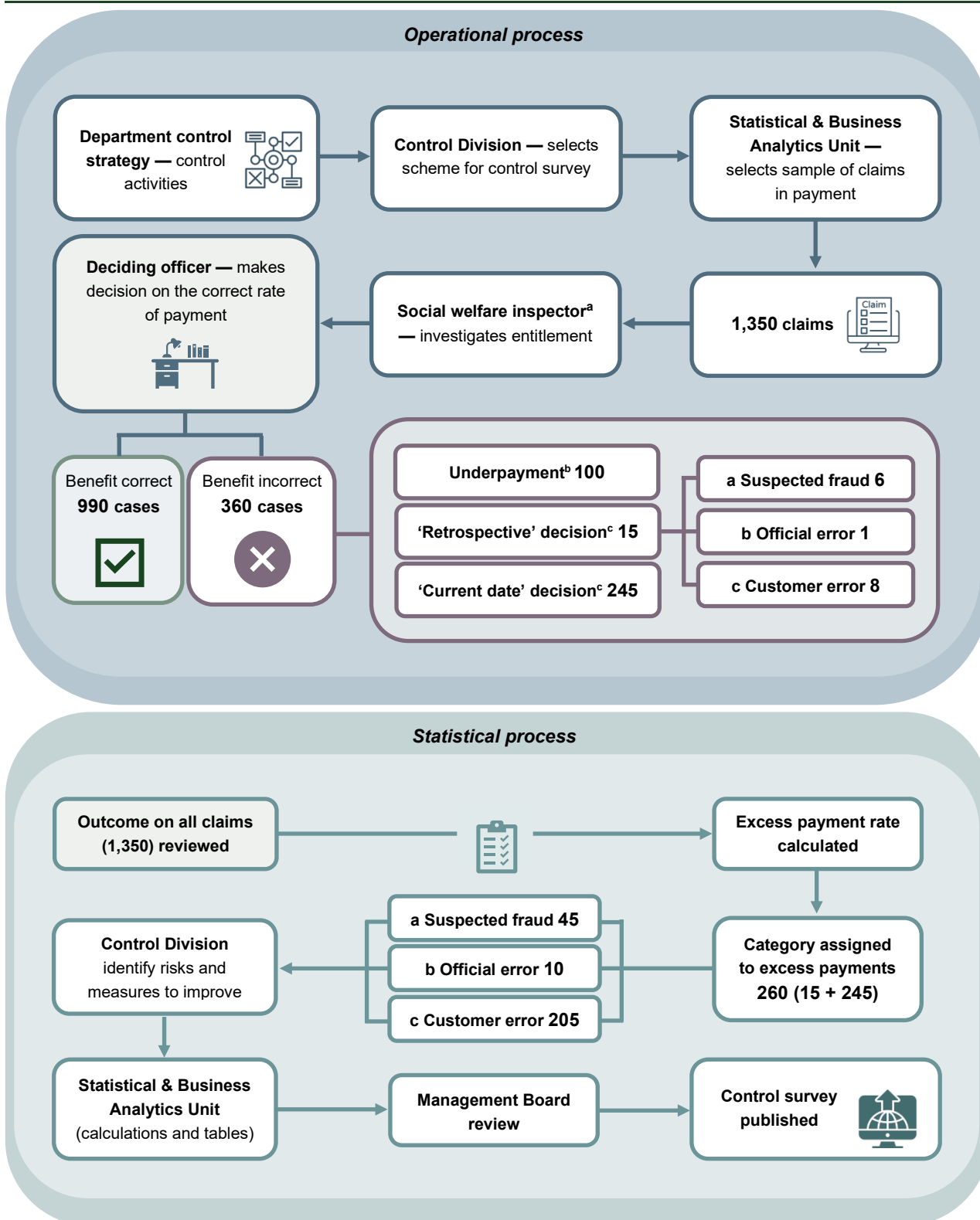
- 24.28** Control surveys play an important role in developing risk-based control measures as part of the Department's control strategy. The surveys review the eligibility for a sample of claims in payment on a scheme at a point in time. The survey results allow the Department to target particular risk areas on the scheme, and implement stronger control measures, where necessary, to minimise the level of future risk.
- 24.29** The methodology for control surveys was published by the Department in May 2022. The examination team reviewed the control survey methodology and its application for the two surveys published in 2026 to assess the appropriateness and effectiveness of the methodology to estimate an accurate rate of excess payments.
- 24.30** There are two separate elements to the process — the operational process and the statistical process. Figure 24.4 outlines the main steps under each part.

⁹ For a child under the age of 12 the rate is €58 per week, and for a child age 12 and over the rate is €78 per week.

¹⁰ The main causes of excess payments identified: unreported change in circumstances (2% of expenditure from claims examined) and materially incorrect information (1.3% of expenditure from claims examined).

¹¹ The one-parent family payment was referred to in the *Report on the Accounts of the Public Services 2024*, chapter 16, [Regularity of social welfare payments](#).

Figure 24.4 Control survey methodology — process and 2026 control survey results



Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a The examination team reviewed 61 claims and in one case no social welfare inspector was assigned.
 - b Benefit incorrect also includes underpayments, where the rate of payment was less than the recipient's entitlement. The rate is corrected and arrears are paid as required.
 - c When an excess payment is identified, the deciding officer will make either a retrospective or current date decision. A retrospective decision includes raising the specific overpayment debt for recovery. A current date decision adjusts the payment rate, and no overpayment debt is raised.

Operational and statistical processes

- 24.31** The published control surveys include the results of the statistical review of the cases. The categories assigned to excess payments included in the published control surveys do not flow directly from the results of the operational process.
- 24.32** Under the operational process, the deciding officer reviews the claim in payment and the report of the social welfare inspector and makes one of four determinations.
- The payment is correct and no change needed.¹²
 - The payment is incorrect (excess payment) and is corrected from the 'current date' — no overpayment debt is raised.
 - The payment is incorrect (excess payment), and a 'retrospective decision' is made. The payment rate is corrected, and an overpayment debt (calculated by the deciding officer) is raised for recovery.
 - The payment is incorrect (underpayment), and the rate is corrected and any arrears due are paid to the claimant.
- 24.33** The deciding officers identified 260 cases with an excess payment from the two control surveys published in 2026. In 15 of these cases, a retrospective decision was made, and an overpayment debt was raised.
- 24.34** A separate process is undertaken by two units of the Department — the Control Division and the Statistical and Business Analytics Unit (Statistics Unit) — to determine the results that are included in the published control surveys.
- 24.35** Both the Control Division and the Statistics Unit review all of the sample cases independently of each other and collate an interpretation of the results. The Department stated that where outcomes of both reviews differ these are discussed to reach an agreement.
- 24.36** One of the key differences between the operational and the statistical processes relates to the overpayment category assigned, particularly for fraud. For the deciding officer to categorise an overpayment as suspected fraud, a high evidential standard must be met. There is a different standard of proof for the suspected fraud category used for statistical purposes.
- 24.37** For example, six cases were categorised as suspected fraud by the deciding officer as part of the operational process, and overpayments were raised in each case. The Department stated that two of the cases are also subject to further investigation.
- 24.38** In comparison, under the statistical process, 45 cases were categorised as suspected fraud. However, only four (9%) of these were raised as an overpayment debt under the operational process, with recovery sought from the claimant.¹³
- 24.39** The Department stated that a suspected fraud case determined by a deciding officer must always result in an overpayment debt being raised. However, as a different standard of proof is applied, sufficient evidence may not always be available to raise an overpayment debt for cases categorised as suspected fraud in the statistical process.

¹² A payment can also be deemed to be correct due to a transfer to another scheme.

¹³ This includes three cases categorised as suspected fraud by the deciding officers and one categorised as customer error.

24.40 Section 1.2 of the published control surveys details the methodology and categorisation of results. This section refers to the decisions of the deciding officers but does not make it clear that the control survey results which follow are not solely derived from the operational process i.e. deciding officer decisions.

24.41 Also, the term overpayment is used in the control surveys to refer to all excess payments identified from the control surveys. This differs from the Department's operational use of the term, under which the term 'overpayment' relates only to retrospective decisions where a debt is raised. Only a small percentage of overpayments referred to in the control surveys will result in an overpayment debt being raised and recovery sought from a claimant.

Summary of review of methodology

24.42 The examination team observed that the control survey process allows for a reasonable estimate of the rate of excess payments to be determined for each scheme reviewed. The Department analyses the results of the control surveys and implements targeted control measures to minimise the level of future risk for the relevant scheme. The use of the rolling control survey, in particular for the jobseeker's allowance scheme, appears to be effective with a declining rate of excess payments identified.

24.43 Both control surveys published in 2026 were carried out in line with the published methodology. However, the examination found that the terms used, particularly in relation to overpayments and fraud, could be clarified further in control surveys to allow the reader to distinguish between the statistical information published in the control survey reports, and the operational decisions of the Department.

Recovery of overpayments

24.44 Overpayment debts were raised in just 6% of the excess payments identified in the 2026 control surveys. A perceived low likelihood of having an overpayment debt raised when an excess entitlement situation is detected may mean that some claimants may feel that there is little risk associated with not keeping the Department informed, in a timely manner, of a change in circumstance relevant to their claims.

24.45 The Department stated that overpayments are raised in line with the legislative provisions where sufficient evidence exists to make a retrospective decision. The Department also 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.

24.46 The Department reports on the total overpayment debt recorded on an annual basis in both the Vote 37 appropriation account and the SIF.¹⁴ In 2025, the Department raised €169 million in overpayment debt (see Figure 24.5). The majority of this (66%) is categorised as arising from customer error.

¹⁴ This includes overpayments raised as a result of the Department's standard processes to prevent and detect error and suspected fraud. These include (but are not limited to) control surveys, eligibility reviews, social welfare inspections, data matching and reported changes in circumstances.

Figure 24.5 Overpayment debt raised in 2025

Overpayment debt raised	Vote 37	SIF	Total
	€000	€000	€000
Suspected fraud	25,132	3,901	29,033
Customer error	45,923	64,806	110,729
Official error	1,425	1,835	3,260
Estate cases ^a	25,208	439	25,647
Total	97,688	70,981	168,669

Source: Department of Social Protection

Note: a Estate cases (i.e. recoveries sought from a deceased claimant's estate) are not included in the overpayment categories for control surveys as the control surveys are based on a point in time (all claimants in payment).

24.47 Of the overpayments raised in 2025, €23 million related to the jobseeker's allowance scheme and €10 million related to the one-parent family payment scheme (see Figure 24.6). Overpayment debts raised on the one-parent family payment scheme increased by 47% in 2025, when compared to 2024. The Department stated that this is mainly due to a 55% increase in the number of claims reviewed in 2025. A total of 54,407 one-parent family claims were reviewed in 2025 (2024: 34,993).

Figure 24.6 Overpayment debt raised on jobseeker's allowance and one-parent family payment schemes in 2024 and 2025

Overpayment debt raised	Jobseeker's allowance		One-parent family payment	
	2024	2025	2024	2025
	€000	€000	€000	€000
Suspected fraud	8,540	8,444	2,616	4,655
Customer error	15,952	13,618	4,046	5,091
Official error	613	826	146	259
Estate cases	202	243	—	—
Total	25,307	23,131	6,808	10,005

Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Forthcoming control surveys

- 24.48** In September 2025, the Department commenced a control survey of the invalidity pension scheme. A sample of 600 claims in payment was selected. The scheme is funded from the SIF and had expenditure of €818 million in 2025.
- 24.49** In August 2026, the Department commenced a control survey of the carer's allowance scheme. A sample of 600 claims in payment was selected. The scheme is funded from Vote 37 and had expenditure of €1.3 billion in 2025.

Other social welfare payment regularity issues

Pandemic unemployment payment

- 24.50** 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 2025 was €129.4 million (1.4% of scheme expenditure), of which €46.4 million has been recovered (see Figure 24.7).
- 24.51** The Department has identified approximately 65,000 PUP claimants who had periods of employment overlapping with periods when they were in receipt of PUP. The Department has contacted the majority (95%) of these claimants. It expects to contact the remaining claimants (approximately 3,000) by the end of 2026, and so further overpayment debts may be raised.
- 24.52** The Control Division within the Department has ownership of the recovery of PUP overpayment debt. A project team of 25 staff was sanctioned in March 2025 to oversee the recoupment of the outstanding debt through attachment of earnings notices; 18 staff are currently in place.¹⁵ A total of 6,297 attachment notices have been put in place, with a value at €17.3 million as of May 2026.

Figure 24.7 PUP overpayment debt raised and recovered as at December 2025

Overpayment debt	Raised	Recovered	Recovered
	€000	€000	%
Suspected fraud	6,624	1,647	25%
Customer error	122,639	44,629	36%
Official error	96	59	61%
Estate cases	38	32	84%
Total	129,397	46,367	36%

Source: Department of Social Protection

¹⁵ The attachment of earnings notice can be to the debtor's wages or salary or to funds held in a financial institution by the debtor.

Beneficiaries of temporary protection

24.53 A beneficiary of temporary protection (BoTP) is a person displaced by the conflict in Ukraine who has been granted the right to live, work and access certain public services in the State under the EU Temporary Protection Directive.¹⁶

24.54 At November 2025, the Department of Justice, Home Affairs and Migration (the Department of Justice) reported that there were over 63,000 BoTPs residing in State-funded accommodation in Ireland.¹⁷ The supports available to these beneficiaries, including accommodation and financial assistance, vary depending on when they arrived in Ireland and the type of accommodation they are living in. The majority (90%) reside in self-catering or hosted accommodation and have full access to the social welfare system.

24.55 In 2024, entitlement to social assistance schemes was amended for those BoTPs residing in full-board State-provided accommodation (designated accommodation centres). They no longer qualified for certain social assistance schemes (e.g. jobseeker's allowance) and instead became entitled to a newly established BoTP weekly payment.¹⁸ This is paid at a rate of €38.80 for an adult and €29.80 for a child and is subject to an income test.¹⁹

24.56 In late 2024, the Department transferred impacted claimants at that time (4,589) from their existing social welfare payment to the BoTP weekly payment. To facilitate the bulk transfer of these claims, the Department used a custom-built temporary IT system which was not part of the Department's standard control framework. As a result, warning reports which would usually highlight commencement of employment, changes in circumstances and concurrent welfare claims were not operational. This remained the case until all claims on the temporary system were transferred to the Department's established systems in September 2025.

¹⁶ The [Temporary Protection Directive \(2001/55/EC\)](#) was activated by [EU Council Decision \(EU\) 2022/382](#) in March 2022. The Directive was extended until 4 March 2027 by [EU Council Decision \(EU\) 2025/1460](#).

¹⁷ The Department of Justice has responsibility for the provision and management of accommodation for BoTPs.

¹⁸ The changes were initially introduced for new arrivals arriving in the State from the 14 March 2024 and subsequently extended to those who arrived before that date that were residing in accommodation where meals were provided (full board).

¹⁹ An individual is not entitled to the payment if their weekly income from employment or other sources (including certain social welfare payments) is greater than €125. If a recipient commences employment, the BoTP weekly payment entitlement ceases from the first week that the recipient earns income in excess of the threshold.

24.57 The Department stated that routine checks for employment, changes in circumstances and concurrent welfare claims were implemented during this time.

24.58 The Department reviewed all ongoing claims over the course of 2025 (just over 3,700). 52% of the claims were closed for a variety of reasons including claimants advising of a change in circumstance, claimants earning income in excess of the scheme threshold, or claimants being in receipt of another social welfare payment. The Department's delay in identifying excess payments was largely as a result of the lack of in-built controls on the temporary system.

24.59 Furthermore, until April 2026, the Department's systems lacked the functionality to raise, recover or process overpayment recoveries. This limited the Department's ability to address irregular payments once identified. Since the scheme commenced, the Department has been manually tracking excess payment cases on a standalone spreadsheet. This practice could increase the risk of omissions and errors in the calculation of overpayments.

24.60 The total amount overpaid recorded at March 2026 was €768,737, or around 3% of cumulative scheme expenditure. Delays in identifying and initiating recovery actions reduce the likelihood of successful recovery and increase the risk of financial loss to the Exchequer.

Contribution towards accommodation costs

24.61 In some cases, BoTPs residing in full-board designated accommodation centres are required to pay a contribution charge directly to the accommodation provider. The accommodation provider is responsible for the collection and administration of the charge. The maximum daily amount that can be charged is €10 per adult and €5 per child. The Department funds this charge through an additional weekly amount paid to BoTP weekly payment recipients (€70 per adult and €35 per child).²⁰

24.62 The Department of Justice also pays the contribution charge directly to the accommodation provider in the following instances

- for the initial 14-day period when a BoTP is accommodated for the first time
- for a maximum period of 14 days if the accommodation provider notifies the Department of Justice that a BoTP weekly payment recipient has failed to pay the contribution charge.²¹

24.63 There is potential loss to the Exchequer in these instances, arising from the Department issuing payments to BoTPs to meet identical costs as those paid directly by the Department of Justice. The Department stated that this is a matter for the Department of Justice.

24.64 The Department of Justice stated that payments of contribution charges are recorded as part of commercial accommodation costs and are not separately identifiable. Therefore, it is not possible to estimate the potential value of duplicated costs arising from this issue.

20 The contribution for accommodation costs paid by the Department cannot be disaggregated from the total amount paid.

21 The Department of Justice will initially liaise with the claimant to attempt to resolve the issue through issuing a warning letter. If the claimant does not pay within two weeks, this is deemed a refusal of accommodation, and the client is subsequently sent a notice that they must vacate the accommodation. There is no established process to notify the Department when notices to vacate are issued.

Conclusions

24.65 With scheme expenditure totalling €26.56 billion in 2025, even low levels of payments in excess of entitlements to welfare can amount to significant losses of public funds.

24.66 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 2025 appropriation account for Vote 37 Social Protection and on the 2025 financial statements of the SIF draw attention to the material level of irregularity of scheme payments.

Annex 24A 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 had 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. The Department also refers to this as customer error.

Official error — where benefits are paid incorrectly due to inaction, delay or mistakes made by the Department's staff.²²

²² In some cases, claimant and official error can also result in claimants receiving less than they are entitled to (an underpayment).

Annex 24B Control survey findings and related actions

Figure 24B.1 Jobseeker's allowance — control survey

Scheme risk

- Claimants with means other than from employment are more likely (38% of cases) to receive an overpayment than those without other means (14%).
- Risk of overpayment to part-time/casual workers (35%) more than twice as high as to non-casual workers (14%).
- Married or cohabiting claimants have a higher risk of overpayment (29%) than single claimants (12%).
- Increased risk of overpayment using any other payment methods (34%) compared to post-office payments (13%).
- Claimants aged 25 and over are significantly more likely (19%) to receive an overpayment than those aged 24 and under (9%).

Measures to improve the control regime

- All jobseekers will continue to attend their Intreo centre within one month of claim award and on a regular basis thereafter.
- A target of 140,000 reviews has been agreed for 2026.^a
- 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.^b
- The Department's employment services staff will continue their active role in reviewing claims where the claimant is not engaging as required with employment services.
- 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.

Source: Department of Social Protection

Notes: a 140,000 reviews were also targeted for 2025 and 85% of this target was achieved.
 b 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](#).

Figure 24B.2 One-parent family payment control survey 2026**Scheme risk**

- Claimants with means are over four times more likely to have an overpayment (46%) compared to those without means (10%).
- Claimants aged over 25 are significantly more likely (23%) to receive an overpayment than those aged 25 and under (12%).

Measures to improve the control regime

- 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.^a
- A target of 60,000 claim reviews has been agreed for 2026.
- A revised process for continued eligibility checks introduced from April 2026 to ensure at least an annual review of all claimants.^b
- Continue to use the resources and experience of the Department's Special Investigation Unit in investigating more serious cases of suspected fraud.

Source: Department of Social Protection

Notes: 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](#).

b The previous annual review 'OFP40' form was withdrawn by the Department in November 2022, while supporting legislation was being reviewed by the Department. An amended form was re-introduced in 2025, and further revisions to the process were introduced in April 2026.

Annex 24C Schedule of control surveys published 2017 to 2026, and planned for 2027

	Scheme cost in 2025 €m	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Vote-funded schemes												
Disability allowance	2,477							✓				
Child benefit	2,229						✓					
Jobseeker's allowance	1,752					✓	✓		✓	✓	✓	
State pension (non-contributory)	1,336			✓						✓		
Carer's allowance	1,306		✓									✓ ^a
One-parent family payment	756					✓					✓	
Supplementary welfare allowance	92	✓										
Back to work enterprise allowance	30			✓								
SIF-funded schemes												
State pension (contributory/transitional)	8,174	✓							✓			
Widows', widowers' / surviving civil partners' pension (contributory)	1,986								✓			
Invalidity pension	818											✓ ^a
Jobseeker's benefit	402							✓				

Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Note: a Control surveys planned for publication in 2027.

25 Daily expenses allowance scheme

- 25.1** The Department of Social Protection (the Department) provides income support and other social services under a wide range of schemes. Overall scheme expenditure of €26.6 billion in 2025 was funded through Vote 37 Social Protection and the Social Insurance Fund.
- 25.2** The daily expenses allowance (DEA) is a weekly income support payment for international protection applicants living in accommodation provided by the International Protection Accommodation Service (IPAS) or awaiting IPAS accommodation (see Figure 25.1). The scheme's primary purpose is to cover incidental personal expenses for those who do not have sufficient means to have an adequate standard of living while they are awaiting a decision of the Department of Justice, Home Affairs and Migration (Department of Justice) on their protection application. The scheme is paid from Vote 37 and so is Exchequer-funded.
- 25.3** The scheme is administered by the Department. However, the Department of Justice is responsible for policy setting and legislation for the scheme.¹
- 25.4** This examination was undertaken to assess if the scheme controls the Department has in place for the payment of the daily expenses allowance are
- compliant with statutory requirements, and
 - effective in ensuring the prevention and timely detection of irregular payments.

Figure 25.1 Overview of daily expenses allowance scheme, 2025

Claimant eligibility	Applicants for international protection who live in, or are on a waiting list for, accommodation provided by IPAS ^a
Legislative background	SI 230/2018 European Communities (Reception Conditions) Regulations 2018 International Protection Act 2026^b
Number of claimants in payment	10,574 at 31 December 2025
Weekly rate of payment	€38.80 per adult and €29.80 per child or €113.80 per unaccommodated adult
Scheme expenditure	€48.6 million in 2025

Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Notes: a IPAS is a division of the Department of Justice, Home Affairs and Migration.
b SI 230/2018 gave effect to EU Directive 2013/33 which sets out the standards for the reception of applicants for international protection. An updated and recast Reception Conditions directive (EU Directive 2024/1346) was transposed into Irish law in April 2026, under the International Protection Act 2026.

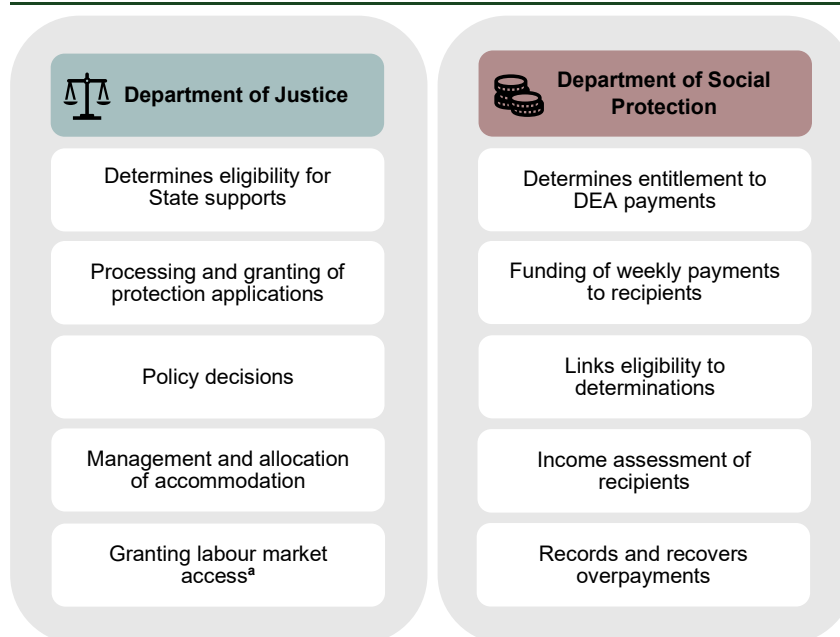
¹ The Department of Justice is responsible for ensuring international protection applicants have access to material reception conditions as defined in the International Protection Act 2026. This includes access to accommodation, food, personal hygiene supplies and necessary health care services. The Act also provides for applicants to have access to the daily expenses allowance and clothing allowance.

- 25.5** The examination team reviewed and analysed key documents and data produced by the Department and the Department of Justice, interviewed relevant members of staff, and carried out control testing on a sample of claims in payment.

Roles and responsibilities of the two departments

- 25.6** The DEA scheme is underpinned by legislation which sets out the core functions of both departments in providing supports while an individual's international protection application is being determined (see Figure 25.2).

Figure 25.2 Roles and responsibilities for the DEA scheme



Source: Department of Social Protection; Department of Justice. Analysis by the Office of the Comptroller and Auditor General.

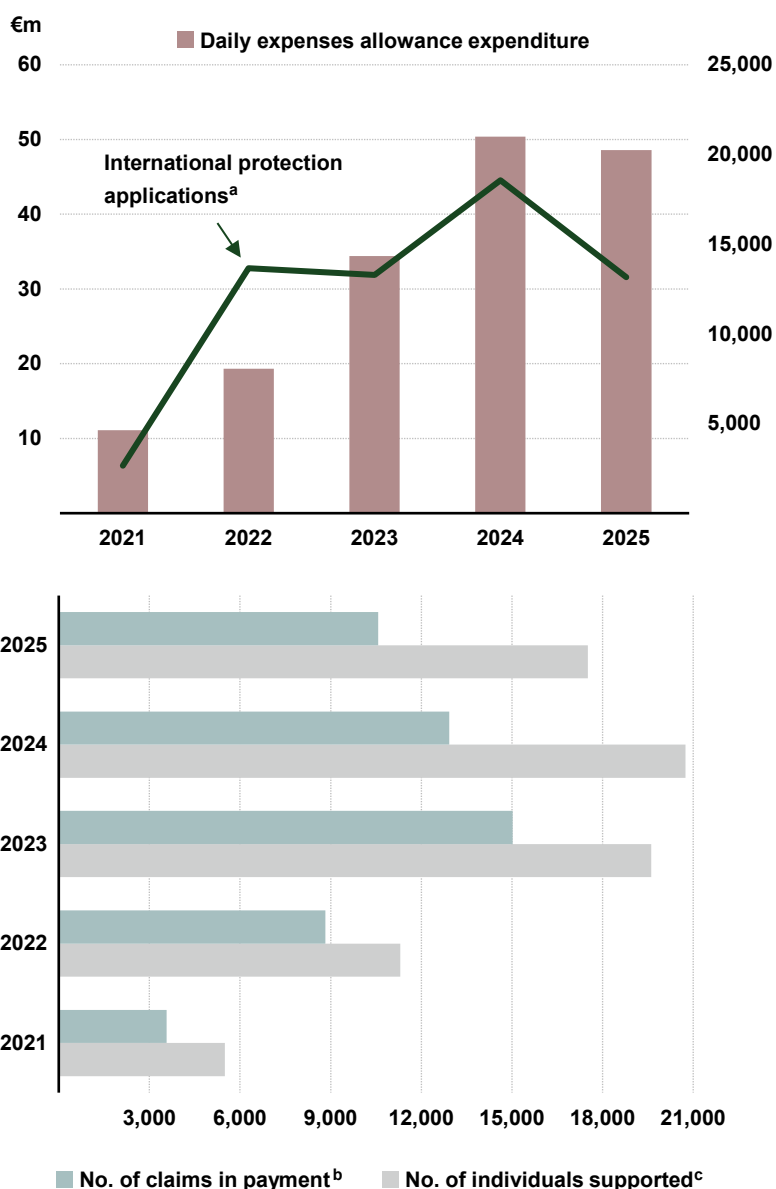
Note: a Permission to access the labour market can be granted to international protection applicants who have been waiting for a decision for six months.

- 25.7** Decision-making authority for supports for international protection applicants rests with the Department of Justice. The Department is responsible for administering, funding and aligning welfare supports in accordance with those decisions. Therefore, the Department is reliant on the accuracy, completeness and timeliness of information provided by the Department of Justice to ensure the regularity of support payments.
- 25.8** The examination found that there is no formal agreement in place between the two departments outlining their respective operational roles and responsibilities or the frequency and nature of communication required for the schemes.
- 25.9** The Community Welfare Services Division of the Department is responsible for administering the DEA scheme, managed by a team based in Sligo. The Department stated that given the unique circumstances and the evolving nature of the scheme, co-operation and co-ordination is managed through frequent and regular engagement at a senior level between both departments, with meetings taking place at weekly and fortnightly intervals.

Analysis of scheme expenditure

25.10 Total expenditure on the scheme was €48.6 million in 2025, a slight reduction from €50.4 million in 2024.

Figure 25.3 Daily expenses allowance expenditure and number of claims, 2021 – 2025



Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Notes: a This is the total number of international protection applications received each year.
 b This shows the number of claims in payment at the end of the year.
 c One claim may support multiple members of the same family, therefore the total number of individuals supported exceeds the number of claims in payment.

- 25.11** There was a sharp increase in the number of people applying for international protection in 2022, and applications continued at this elevated level through to 2025, with a spike in 2024. As a result, there was a significant increase in the number of daily expenses allowance claims awarded, peaking at 15,023 in 2023, followed by year-on-year declines in 2024 and 2025. At 31 December 2025, there were 10,574 DEA claims in payment, supporting 17,508 individuals (see Figure 25.3).

Control policy

- 25.12** All social protection schemes require appropriate control measures to mitigate against risks specific to each scheme, or group of schemes. These risk and control measures should be regularly reviewed, to ensure that safeguards remain effective and respond appropriately to changing circumstances.
- 25.13** The examination found that, unlike most centrally administered income support schemes, there has been no formally documented risk assessment or review of internal controls carried out specifically for the DEA scheme.
- 25.14** The Department stated that the risk and control framework for community welfare schemes applies to the DEA scheme. This framework includes
- take-on controls — checks carried out on applications to ensure claims are only awarded to those who meet the qualifying conditions
 - regular review of claims in payment — reviews can be systematic, carried out as a result of data provided by other public sector entities, or due to change in the recipient's circumstances
 - management controls — random checks on a sample of claims in payment
 - cash controls — controls over large cash payments and receipts.

Eligibility criteria — take-on controls

- 25.15** To qualify for DEA, an individual must submit a completed DEA application to the Department, and
- be awaiting a decision on an application for international protection²
 - live in, or be on a waiting list for, IPAS accommodation
 - satisfy an income test.
- 25.16** The process for establishing and determining eligibility for the DEA scheme involves both the Department and the Department of Justice (see Figure 25.4).

² Recipients who are appealing an international protection decision to the International Protection Appeals Tribunal continue to be eligible until their appeal is decided.

Figure 25.4 Eligibility criteria for the daily expenses allowance

Criteria	Department of Justice	Department of Social Protection
Application for international protection	Initial assessment of the applicant's resources based on a signed declaration of means, accepted in good faith.	Places reliance on the means assessment carried out by the Department of Justice; no further financial information is sought.
Live in or be on a waiting list for IPAS accommodation	Provides accommodation and manages waiting lists.	Requires proof of address at an IPAS accommodation centre, or IPAS letter confirming applicant is on the accommodation waiting list.
Income test	No role in income testing.	Income assessment and reduction/withdrawal of allowance where a recipient is aged 18+ and has income for 12 weeks. The first €60 per week of income is disregarded and 60% of the residual income is assessed, and the allowance is reduced/withdrawn accordingly.

Source: Department of Social Protection; Department of Justice. Analysis by the Office of the Comptroller and Auditor General.

Refusal of offers of IPAS accommodation

25.17 As set out in legislation, the Department of Justice is responsible for providing accommodation to applicants of international protection. This is usually provided through accommodation in IPAS centres. Where accommodation cannot be provided due to capacity constraints, as has been the case intermittently since 2023, the legislation allows for reception conditions to be provided in an alternative form. The legislation also provides that the provision of alternative reception conditions should be for as short a period as possible.

25.18 Unaccommodated applicants receive alternative reception conditions through DEA at an increased weekly rate of €113.80 i.e. the 'accommodated' individual rate of €38.80 plus €75 per week.³ The Department's scheme guidelines state that, to qualify for the increased rate of DEA payment, unaccommodated applicants must be on a waiting list for IPAS accommodation.

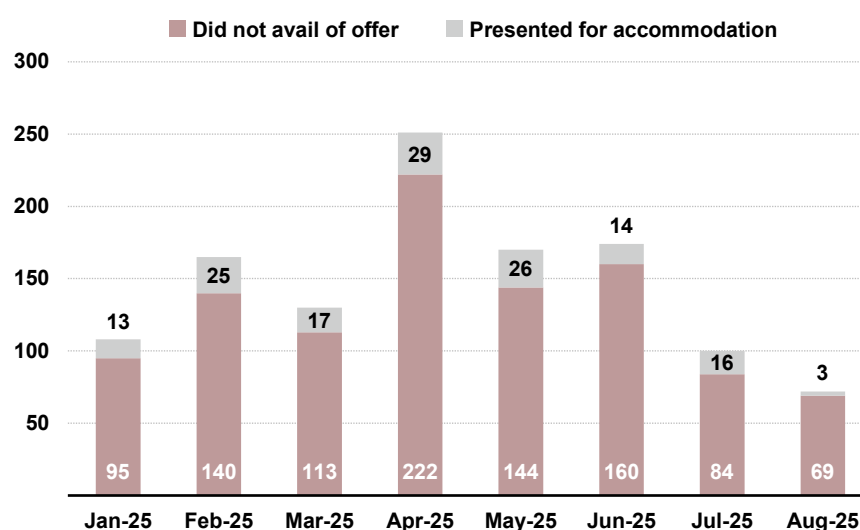
25.19 IPAS prioritises accommodating families and applicants with vulnerabilities. Therefore, single male applicants are the group most affected by the lack of available accommodation.

25.20 As accommodation becomes available, the Department of Justice offers it to applicants on a waiting list, based on length of waiting time. The examination team noted that when the Department of Justice offers accommodation to applicants, they (the applicants) are told that if the offer is declined, they will not be considered for further accommodation offers but could continue to receive the increased DEA payment. The Department of Justice does not notify the Department when an international protection applicant fails to respond or declines an accommodation offer.

³ The Department did not seek the required sanction from the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation prior to introducing the €113.80 per week rate for unaccommodated applicants in 2023. Sanction was received in March 2026 when this issue was highlighted by the audit team.

- 25.21** The Department of Justice stated that the legislation does not specifically provide for the termination or reduction of alternative reception conditions (including the unaccommodated rate of DEA) where a person has been offered accommodation but does not avail of it. The Department of Justice also noted that withdrawal of the higher payment rate could have increased demand for accommodation at a time when IPAS accommodation capacity remained constrained.
- 25.22** At the time of this examination in April 2026, the Department of Justice had contacted 1,170 recipients who arrived in Ireland between January and August 2025 with a delayed offer of IPAS accommodation.⁴ Only 143 individuals (12%) availed of the offer and presented to take up the accommodation (see Figure 25.5).

Figure 25.5 IPAS delayed accommodation offers for applicants who arrived in the State between January and August 2025



Source: Department of Justice. Analysis by the Office of the Comptroller and Auditor General.

- 25.23** The Department's operational guidelines in place throughout 2025 stated that a person who refused an offer of accommodation should no longer have an entitlement to DEA. Following clarification with the Department of Justice regarding its interpretation of the legislation, the Department updated its operational guidelines in January 2026, allowing for applicants who refuse IPAS accommodation to continue to have entitlement to the unaccommodated rate of DEA.
- 25.24** The Department of Justice reported that, on 17 December 2025, there were 453 international protection applicants awaiting an offer of accommodation. For the same week, the Department recorded 1,592 claimants in receipt of the unaccommodated rate of DEA. This indicates that over 1,100 recipients of the unaccommodated DEA rate were not included in the Department of Justice published waiting list data.

⁴ Those who arrived in September 2025 will be the next to receive offers.

- 25.25** The Department of Justice stated that its published waiting list data reflects the number of international protection applicants who have never been offered accommodation. It does not include the number of international protection applicants that have been removed from the accommodation waiting list but who still have an entitlement to accommodation and so remain entitled to the unaccommodated rate of DEA.

Income assessment

- 25.26** Legislation requires the Department to conduct an income assessment for DEA 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 undertaken as required.⁵
- 25.27** With effect from June 2024, the Department introduced income testing for international protection applicants who have been in employment for at least 12 weeks. Claimants earning between €60 and €125 a week may qualify for a reduced payment. Thereafter, no allowance is payable.
- 25.28** Unaccommodated recipients were expressly excluded from the income assessments carried out in 2024 and in most of 2025. Unaccommodated recipients consequently continued to receive DEA without the Department checking whether their earnings exceeded the prescribed thresholds.
- 25.29** International protection applicants accommodated in IPAS centres may remain accommodated regardless of their taking up employment. The Department stated that, therefore, as the increased rate of payment for unaccommodated recipients was in lieu of an accommodation provision, it should not be subject to an income assessment.
- 25.30** The regulations allow for supports to be provided in an alternative form where accommodation is temporarily exhausted, but do not state that income-related variations cannot be applied during any such periods.
- 25.31** A review undertaken by the audit team in October 2025 found that, from a sample of 25 unaccommodated DEA claims, nine recipients (36%) had average weekly earnings ranging from €210 to €740.

⁵ See *Report on the Accounts of the Public Service 2024*, chapter 16, [Regularity of social welfare payments](#).

⁶ In 2025, the average weekly number of unaccommodated recipients was 2,262. The Department identified 862 unaccommodated recipients who had earnings greater than €250 per week.

- 25.32** These findings were mirrored by the Department's assessment, commenced in May 2025, which identified that around 38% of unaccommodated recipients had weekly earnings of greater than €250.⁶ Following this assessment, the Department initiated a phased introduction of income testing for unaccommodated recipients in the final quarter of 2025.

Key controls for claims in payment

Payment methods

- 25.33** DEA claimants are required to collect weekly payments in person from a designated post office. This is a key financial control, particularly for unaccommodated recipients. In May 2025, the Department reduced the timeframe for claimants to collect the payment from two weeks to one week. This was further reduced to five days from February 2026.
- 25.34** In exceptional circumstances, such as illness, a claimant may be allowed to receive their weekly payment via electronic funds transfer to a bank account. A review of payment methods for DEA claimants in July 2025 noted that from 11,403 claims, 11,351 (99.5%) were paid by via in-person post-office collection.

Cross-check of entitlements across jurisdictions

- 25.35** The requirement to collect the payment in person reduces the risk of irregular payments for unaccommodated international protection applicants, as it ensures that the claimant is in the country on that day. However, further controls may be necessary to mitigate against the risk of irregular payments.
- 25.36** For example, as applicants are unaccommodated, there may be a greater risk that they could avail of international protection payments from other jurisdictions (e.g. Northern Ireland). The Department of Justice stated that, since the UK left the European Union in 2020, no system-based checks are carried out to cross-check the supports provided to international protection applicants in the UK.
- 25.37** The Department also has no such checks in place in relation to DEA payments. However, the Department stated that payment of DEA through the post office network requires weekly in-person attendance in the State, which significantly reduces the ability of applicants to present in two separate jurisdictions.

Changes in circumstances and reviews

- 25.38** Changes in a recipient's circumstances can affect their eligibility for DEA. These changes may be notified directly by the recipient or triggered through the Department's control environment, including system-generated alerts and notifications received from the Department of Justice.
- 25.39** The Department of Justice notifies the Department of changes in accommodation status. For example, the Department is notified if an unaccommodated recipient becomes accommodated, or if a recipient transfers from one IPAS centre to another.
- 25.40** The DEA is only payable while the recipient is seeking international protection. Once a decision is made on the application, there is no longer an entitlement to DEA unless the applicant has an active appeal with the International Protection Appeals Tribunal. In live appeal cases, the DEA is paid until a final decision is reached. Changes in status are notified to the Department on a weekly basis by the Department of Justice.

- 25.41** The Department also conducts reviews triggered by specific risk indicators such as commencement of employment notices. Reviews are generally conducted on a project basis rather than on a cyclical or time-driven process (see Figure 25.6).

Figure 25.6 DEA review activities in 2025^a

Review activity/trigger	Volume
Notification of international protection status decisions from the Department of Justice	3,106
Commencement of employment notices ^b	9,785
General reviews	410
In-person project	356

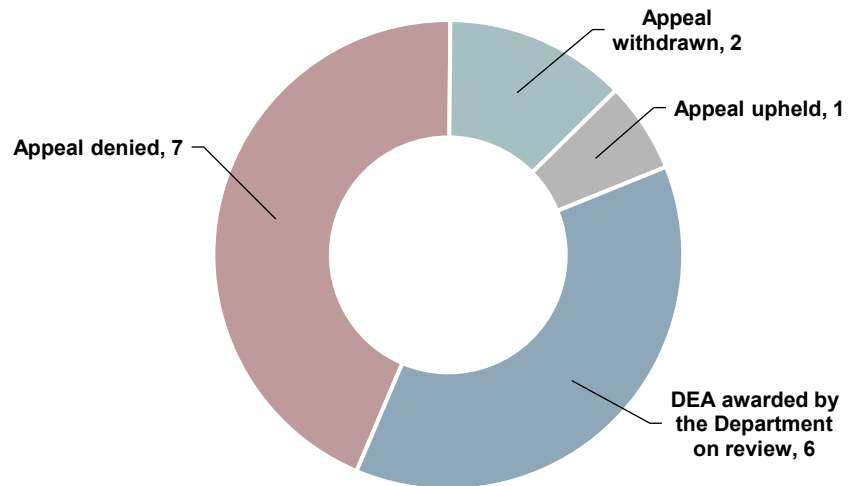
Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Notes: a Excludes reviews undertaken from system-generated alerts and changes in accommodation status notified by the Department of Justice.
b Changes in employment during the year can result in multiple notifications being received for the same recipient.

- 25.42** In 2025, the Department closed 3,777 claims as a result of reviews undertaken. 86% of claims were closed due to commencement of employment. The in-person project review focused on unaccommodated DEA recipients. A sample of 356 recipients were contacted and asked to present in person for a review of eligibility; 152 claims (43%) were closed as a result.
- 25.43** Under the legislation, the Department is required to recover any payments made where the recipient, at the time they were receiving DEA, had means to have an adequate standard of living, or had concealed financial resources and unduly benefited from receiving the payments.
- 25.44** It is the Department's practice not to assess or raise overpayments on DEA claims. Therefore, when a recipient is identified as no longer eligible to DEA, no retrospective review is carried out to determine whether an overpayment has occurred. The Department stated that, as the Department of Justice has overall responsibility for the scheme, it is unclear what recovery options are available to the Department and legal advice in that regard is being sought.

Appeals

- 25.45** If an individual wishes to have a decision to refuse (or withdraw) the DEA payment reviewed, they can request a review by a review officer of the Department. If they are not satisfied with the review officer's decision, they may appeal to the International Protection Appeals Tribunal. In 2025, 16 appeals were made to the Tribunal. One appeal was upheld (see Figure 25.7). However, six other cases were awarded by the Department on review, prior to a Tribunal decision. This represents an appeal success rate of 44%.

Figure 25.7 DEA international protection appeals tribunal outcomes, 2025


Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Additional needs payments to DEA recipients

25.46 Additional needs payment is an overarching term for certain income supports under the supplementary welfare allowance scheme.⁷

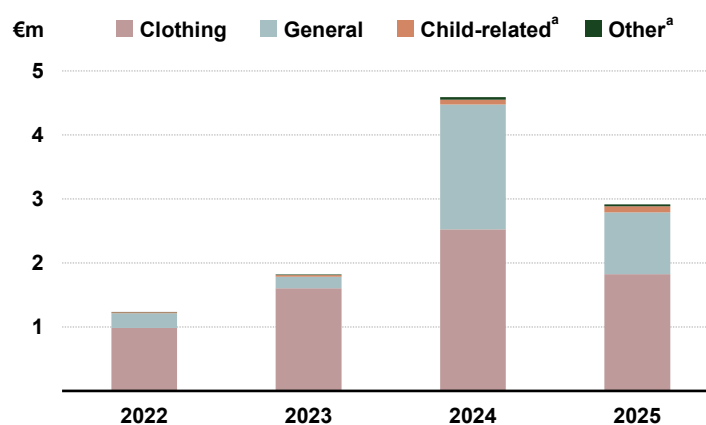
25.47 An additional needs payment is a single payment made to a person to meet a need that is exceptional or urgent but not necessarily unforeseen. It is a means-tested payment. To qualify, applicants must

- have a PPS number
- complete an application form
- provide evidence of need e.g. supplier quotes, receipts or bills
- provide financial means information i.e. evidence of income, savings or investments.

25.48 In 2025, total expenditure on additional needs payments was €61.1 million, of which €2.9 million was paid to DEA recipients. Additional needs payments to DEA recipients in 2024 totalled €4.6 million.

⁷ Additional needs payments can be made under sections 201 and 202 of the Social Welfare Consolidation Act to any person in the State where a designated person or deciding officer in the Department considers it is needed to meet an exceptional or urgent need.

25.49 Legislation provides for a clothing allowance payable to international protection applicants by way of an additional needs payment. Claims for the allowance are permitted at six-month intervals, at a rate of €100 per adult and €50 per child. Applications are subject to a means assessment of the level of resources available to an individual or family. A total of €1.8 million was paid to DEA recipients for clothing allowances in 2025 (see Figure 25.8) — 62% of the total additional needs payments to DEA recipients.

Figure 25.8 Additional needs payments to DEA recipients by category, 2022 – 2025

Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Note: a Child-related claims include payments for cots, prams and nappies. Other claims relate to confinement costs associated with illness.

Additional needs payments — accommodation costs

25.50 The value of additional needs payments to DEA recipients which were categorised by the Department as 'general' increased from around €176,000 in 2023 to almost €2 million in 2024. This includes payments to some DEA recipients to assist in meeting the cost of accommodation (see Figure 25.8).

25.51 In March 2024, the Department informed staff that additional needs payments could be provided to assist applicants who are waiting for IPAS provided accommodation. Guidance was issued to staff that this could take the form of an initial, upfront additional needs payment of €308 in respect of a fortnight's accommodation (or €154 for a week's accommodation). This payment was intended to cover the cost of short-term hostel stay for two weeks. There was no requirement to provide evidence of the need, such as a hostel booking, to qualify for the initial claim.⁸

25.52 For any subsequent additional needs claim related to costs of accommodation, applicants were asked to apply within ten days and provide

- a completed reclaim form (used for returning applicants)
- receipts including credit card statements
- bank statements, and
- an email address.

⁸ The rate of payment was set by the Department based on the cost of a hostel in Dublin at that time.

- 25.53** The Department does not collate data relating to additional needs payments used to meet accommodation costs of DEA recipients. Department staff categorise the expenditure when awarding an additional needs payment. Although a specific code for 'hostel accommodation' was available, it was generally not used in 2024 or 2025. Instead, expenditure to assist with accommodation costs was recorded against general categories such as 'insufficient funds' or 'other'. Therefore, it is difficult to determine the total expenditure the Department incurred to meet accommodation needs of DEA recipients.
- 25.54** The Department stated that these additional needs payments to unaccommodated DEA recipients were introduced as a practical and temporary response to the pressures on the IPAS system at the time and to the difficulties faced by applicants. The Department also stated that the payments were not specifically for accommodation but to assist applicants who had insufficient funds to cover basic accommodation and sustenance costs.
- 25.55** The examination team analysed the additional needs payments made to DEA recipients in 2024 and 2025 and, based on the evidence reviewed, estimated that around €1.5 million was paid for the purpose of supporting accommodation costs in 2024, with around €833,000 paid in 2025.⁹
- 25.56** Further analysis of the extracted claims indicated that 4% of claimants received repeated (more than ten) additional needs payments to meet accommodation costs. A small number of recipients (five) received a high volume of payments (over 32) amounting to payments in excess of €10,000 each (see Figure 25.9).
- 25.57** Additional needs payments are paid directly to the applicant and, therefore, the Department does not collate information on accommodation providers. However, as part of this examination, the team examined the supporting documentation for a sample of 21 of the repeat claimants, including the five claimants with the highest-value combined payments i.e. greater than €10,000 each. The review found that all of the repeat claims from the sample — to a combined value of €140,000 — were supported by receipts from the same accommodation provider. It was not possible to determine the total amount of payments linked to this accommodation provider.
- 25.58** In late 2025, the Department completed a review of the use of additional needs payments to meet accommodation costs. The Department of Justice confirmed that of the 57 recipients queried by the Department in that review, almost 65% (37) had previously been offered IPAS accommodation but did not avail of it for various reasons.

⁹ The examination team extracted claims which were categorised as general, with a value matching the maximum recommended allowance for accommodation costs (€154/€308). This approach excluded any payments relating to accommodation for amounts outside those values.

Figure 25.9 2024 and 2025 accommodation-related claims by payment value range

Total accommodation costs paid	Number of DEA recipients
Greater than €10,000	5
Between €5,001 and €10,000	85
Between €1,001 and €5,000	278
Between €617 and €1,000	91
Up to €616 ^a	3,257
Total	3,716

Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Note: a €616 represents the amount paid for a four-week period.

- 25.59** The Department stated that, since November 2025, applications for additional needs payments to meet accommodation costs are cross-checked with the Department of Justice to determine if an offer of IPAS accommodation had previously been made to the applicant. If such an offer has been made, then the need is considered to have been met.
- 25.60** The Department's guidelines explicitly state that additional needs payments should not be used to cover costs that are the responsibility of other government departments and are not intended for payment where there is a recurring need that the recipient has an inability to meet from their normal income.
- 25.61** The provision of accommodation to international protection applicants is the responsibility of the Department of Justice, and additional needs payments in some cases have been used to provide ongoing financial support for accommodation.
- 25.62** The Department does not consider that the use of additional needs payments to provide ongoing financial support for accommodation has resulted in Vote 37 taking on costs of the Department of Justice. The Department stated that an additional needs payment can be provided to meet the recipient's basic needs where the recipient is unable to do so themselves and that failure to provide these payments would likely have resulted in Ireland being in breach of its international protection obligations.

Contributions towards costs

- 25.63** Under legislation, if a claimant's sole income consists of the DEA payment, there is no requirement for the claimant to contribute towards IPAS accommodation costs. However, international protection applicants who are working and have weekly income in excess of €97 are required by law to contribute to the cost of their accommodation and services.¹⁰

¹⁰ Section 5(2) and Schedule 2 of [SI 230/2018 European Communities \(Reception Conditions\) Regulations 2018](#).

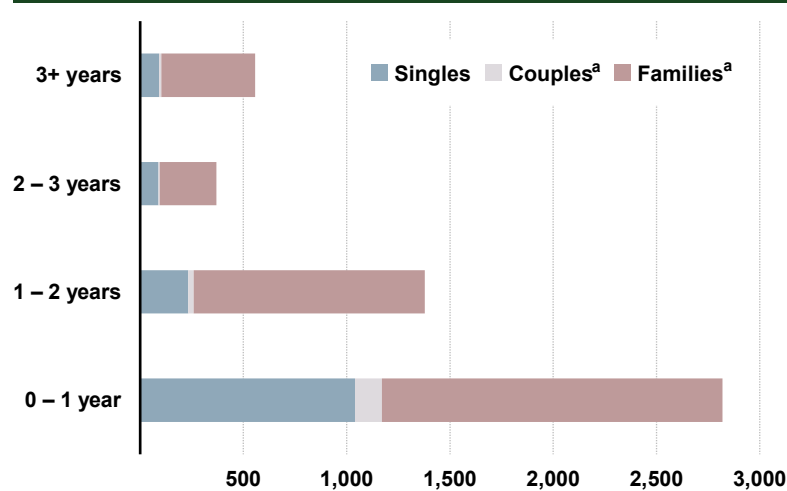
- 25.64** The rate of contribution payable ranges from €15 to €238 per week, depending on the individual's weekly income. However, the examination found that the Department of Justice has no process in place for the collection and/or processing of this contribution. To date, no contributions have been collected under the legislation. The Department of Justice stated that it is currently reviewing options to introduce a contribution model.
- 25.65** The examination team estimate that, at the end of December 2025, there were approximately 15,000 adults in IPAS accommodation who were not in receipt of the DEA (see Figure 25.10). It is probable that a significant number of these would have income at a level that would require a contribution to be made. However, the Department of Justice does not have sufficient information available to estimate the value of contributions forgone.
- 25.66** By way of illustration, if 1,500 IPAS residents were required to contribute at the lowest rate of €15 per week, this would amount to €1.17 million in foregone contributions each year. Postponing the implementation of a contribution model therefore contributes to a potential financial loss to the Exchequer.

Figure 25.10 IPAS and DEA accommodated figures for December 2025

Total number of IPAS centres	313
Average length of stay in IPAS accommodation	24.3 months
Number of people in IPAS accommodation	33,241
Approximate number of adults	23,000
DEA claims in respect of accommodated adults	8,000
Estimated number of adults in IPAS not receiving DEA	15,000

Source: Department of Social Protection; Department of Justice. Analysis by the Office of the Comptroller and Auditor General.

- 25.67** Once a recipient receives a final decision on their application, they are no longer eligible for DEA. Where the recipient is granted international protection, they have the same access to social welfare as Irish citizens. If the application for protection is refused, a recipient is no longer eligible for DEA and is not eligible for standard social welfare payments.
- 25.68** At the end of March 2026, there were 5,123 people living in IPAS accommodation who had received a final decision granting them international protection status (see Figure 25.11). Almost 11% (557) had been residing in IPAS accommodation for over three years after obtaining status. There is no legislative requirement for these individuals to contribute towards accommodation costs.

Figure 25.11 Number of individuals with status residing in IPAS accommodation, March 2026

Source: Department of Justice. Analysis by the Office of the Comptroller and Auditor General.

Note: a The figures shown for couples and families relate to the total number of individuals.

Conclusions and recommendations

25.69 The practical implementation of the daily expenses allowance (DEA) scheme is shared between the Department and the Department of Justice, the latter of which controls key aspects of eligibility. In making the DEA payments from Vote 37 Social Protection, the Department places reliance on information from the Department of Justice to determine if applicants are eligible for the scheme initially, and if they continue to meet eligibility criteria in respect of their accommodated status.

25.70 However, there is no formal agreement in place setting out the roles and responsibilities of each Department, the nature and frequency of engagement and communication required, and the related data administration. This can lead to a lack of clarity in how scheme entitlements are determined and implemented. For example, in 2025 the Department of Justice advised claimants who refused an offer of accommodation that they could remain on the higher 'unaccommodated' rate of the allowance but would no longer be considered for accommodation. This approach was different to operational guidelines in place in the Department of Social Protection at the time.

Recommendation 25.1

A formal agreement should be put in place between the Department of Social Protection and the Department of Justice outlining the responsibilities of each with regard to the DEA scheme.

The required frequency and extent of communication and notification requirements between the departments of any relevant changes of circumstances of claimants should be agreed and clearly set out.

The Department should also engage with the Department of Justice to ensure consensus exists as to the eligibility requirements of claimants, in particular for cases where an offer of accommodation is refused.

Department of Social Protection Accounting Officer's response

Agreed.

A service level agreement (SLA) is being put in place between the Department of Social Protection and the Department of Justice outlining the responsibilities of each with regard to the DEA scheme.

The SLA will set out the required frequency and extent of communication and notification requirements between the Departments of any relevant changes of circumstances of claimants.

The Department will engage with the Department of Justice to ensure consensus exists as to the eligibility requirements of claimants, in particular for cases where an offer of accommodation is refused.

Timeline for implementation

31 December 2026.

Department of Justice Accounting Officer's response

Agreed.

A formal agreement will be put in place between the Department of Justice and the Department of Social Protection outlining responsibilities of the DEA scheme. This will clearly set out consensus as to the eligibility of claimants and the required communications between the two departments.

Timeline for implementation

31 December 2026.

- 25.71** The Department has not documented its assessment of the specific risks associated with the DEA scheme, or its review of the controls in place to address those risks. Controls for this scheme have been implemented on an ad-hoc basis — including in response to changes in policy and operational decisions — and are not always effective in detecting irregular payments.
- 25.72** Furthermore, the operation of the DEA does not comply with the legislative requirements underpinning the scheme in a number of areas, such as income assessments and recovery of overpayments. (see Figure 25.12).

Figure 25.12 Summary of gaps in compliance with legislative requirements

Legislative requirement	Audit observation on gap in compliance
Assessment of a recipient's income (12-week aggregate) using the prescribed formula and reduce or withdraw DEA in line with assessment	Phased introduction for accommodated recipients from June 2024. Not operational for unaccommodated recipients until Q4 2025. Income assessments are not back-dated, therefore late identification of income may result in the 12-week aggregate being exceeded.
Recover overpaid DEA where income was not declared or was understated	The Department does not raise overpayments on the DEA scheme and recovery is not sought.
Requires international protection applicant to contribute to the cost of accommodation/services where income exceeds threshold	The Department of Justice must notify international protection applicants living in IPAS accommodation of this obligation and have systems in place to collect the payments; however, these measures are not in place.

Source: Department of Social Protection; Department of Justice. Analysis by the Office of the Comptroller and Auditor General.

25.73 Legislation enacted in June 2018 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. The Department did not implement income assessments until June 2024 for accommodated applicants. Income assessments for unaccommodated recipients were not introduced until late 2025. Delays in implementing income assessments meant that irregular payments were not identified or addressed by the Department in a timely manner.

25.74 Legislative requirements to raise and recover overpayments have not yet been implemented. The extent of excess payments has not been determined by the Department and, therefore, it is not possible to estimate the rate of irregular payments arising on the scheme.

Recommendation 25.2

The Department should conduct and formally document a comprehensive risk assessment of the scheme. This should include identification, evaluation and documentation of key risks, along with a review of existing controls to ensure they are appropriately designed and operating effectively.

A process should be put in place to review the risk and control framework at appropriate intervals thereafter.

The Department should also review how the daily allowance scheme is administered in practice, comparing current operations against the legislative requirements and scheme rules. Any discrepancies or areas of non-compliance identified should be addressed. Where necessary, scheme rules should be updated to accurately reflect operational practices.

Department of Social Protection Accounting Officer's response

Agreed.

The Department will conduct and formally document specific risks and controls for DEA scheme. The risk and control framework will be reviewed on a regular basis.

The administration of the scheme will be kept under review to ensure the operation of the scheme meets legislative requirements and scheme rules.

Timeline for implementation

30 November 2026.

- 25.75** Legislation provides that certain people residing in IPAS accommodation, depending on their income, are required to contribute to the cost of their accommodation and services. However, there is no process in place for the collection and processing of this contribution, and no contributions have been collected to date. The Department of Justice has not estimated the value of potential contributions foregone.

Recommendation 25.3

The Department of Justice should implement the legislative requirement to have a cost contribution model in place for international protection applicants who have income above the thresholds set out in the regulations.

Department of Justice Accounting Officer's response

Agreed.

Work to introduce a contribution model is underway.

Timeline for implementation

31 December 2026.

Additional needs payments for DEA recipients — accommodation

- 25.76** Where required, the provision of accommodation to international protection applicants is a responsibility of the Department of Justice. When international protection applicants who seek housing cannot be accommodated, an additional payment of €75 per week is provided in lieu.
- 25.77** However, the examination team observed that, in some cases, unaccommodated applicants were also receiving regular additional needs payments for the purpose of meeting accommodation costs.
- 25.78** Due to how these costs were recorded, the Department could not identify the total amount of additional needs payments paid to DEA recipients for the purpose of accommodation costs. Analysis by the examination team concluded that the value of such payments was likely to be at least €1.5 million in 2024 and just over €833,000 in 2025.

25.79 In a small number of cases, repeated or regular additional needs payments were made to meet the accommodation costs of international protection applicants. Many of the repeat claims in a sample of the most frequent claimants appear to be linked to the same accommodation supplier.

Recommendation 25.4

The Department should review the use of the additional needs payment scheme to meet the repeated accommodation costs of DEA recipients. Clear guidelines and processes should be outlined as to how such payments should be met and processed.

A review of the categorisation of costs under the additional needs payment scheme should be carried out to ensure that costs are being categorised in a consistent manner which allows for further analysis and issue identification.

Department of Social Protection Accounting Officer's response

Agreed.

The guidelines and processes will be reviewed to ensure clarity and correct implementation.

The categorisation of costs under the scheme is being updated both in the guidance for officers and the supporting IT payments system to ensure accuracy and consistency.

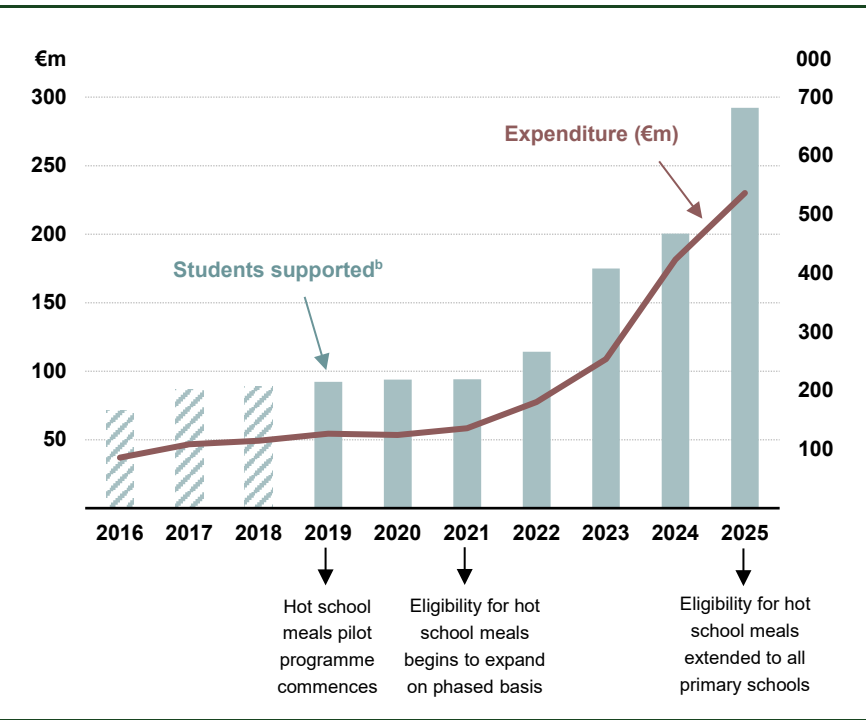
Timeline for implementation

30 November 2026.

26 Procurement of hot school meals

- 26.1** The school meals programme is funded from Vote 37 Social Protection. The Department of Social Protection (the Department) has responsibility for policy development, funding, and oversight of the school meals programme. In 2025, expenditure on the programme amounted to €230 million.
- 26.2** The school meals programme was originally set up in 2003 to provide regular nutritious food to students on school premises to support them to take full advantage of the education available to them. The programme initially prioritised funding for breakfast clubs and cold lunches in schools included in the Delivery Equality of Opportunity in Schools (DEIS) programme.¹
- 26.3** In 2019, a pilot scheme commenced funding the provision of hot school meals in 37 primary schools. Since 2021, eligibility for the hot school meals programme has expanded on a phased basis. As of September 2025, all primary schools are eligible to apply for funding for hot school meals. This has resulted in a significant increase in school meal funding paid through Vote 37 in recent years, (see Figure 26.1).²

Figure 26.1 School meals programme expenditure 2016 – 2025^a



1 The DEIS programme aims to reduce educational disadvantage by providing schools with the highest concentration of students at risk of educational disadvantage with additional resources.

2 The current Programme for Government also includes a commitment to commence the rollout of hot school meals to all secondary schools.

Source: Department of Social Protection

- Notes:
- a Expenditure refers to the total funded for school meals per calendar year as per the Vote 37 appropriation account. This includes funding for breakfast clubs, cold lunches, snacks and dinners as well as for hot school meals. Funding paid each year relates to two academic years. For example, 2025 funding relates to part of the 2024/2025 and 2025/2026 academic years.
 - b Number of students supported is based on the total funding allocated at the start of the academic year for the school meals scheme. It includes students supported in primary schools, certain secondary schools, local groups and voluntary organisations for all school meal programmes.

26.4 The school meals programme is funded by the Department through two schemes

- the **school meals local projects scheme** provides funding to primary schools, secondary schools, local groups and voluntary organisations who administer the programme
- the **urban school meals scheme** for primary schools is operated by local authorities and is part-funded by the Department.³

26.5 Over 99% of expenditure on school meals in 2025 was paid through the school meals local projects scheme. Under this scheme, eligible schools and organisations can apply for funding for breakfasts, snacks, cold lunches, dinners and hot school meals.

26.6 Each school that receives funding for the school meals scheme is responsible for procuring its own supplier of meals.

26.7 The Department of Education and Youth provides support to participating schools, through guidance issued by the Schools Procurement Unit. The Department of Education and Youth is also represented on an interdepartmental group which was established in December 2024 to help manage the expansion of the scheme.⁴

Focus of the examination

26.8 The focus of this examination is on the funding provided to primary schools for the provision of hot school meals.

26.9 This examination was undertaken to review the processes in place for the procurement of hot school meals and to assess whether economy is achieved — i.e. are schools securing the right quality and quantity of meals at the required time for the agreed standard price.

26.10 The examination team reviewed key documents and data produced by the Department and the Department of Education and Youth and interviewed relevant members of staff from both departments.

26.11 The examination approach included

- a review of the procurement process undertaken in a sample of primary schools including those participating in the scheme prior to 2025, and those that recently joined the scheme
- site visits to three participating schools
- a survey which compiled data on the type of service delivery models in place for the provision of hot school meals in participating primary schools.

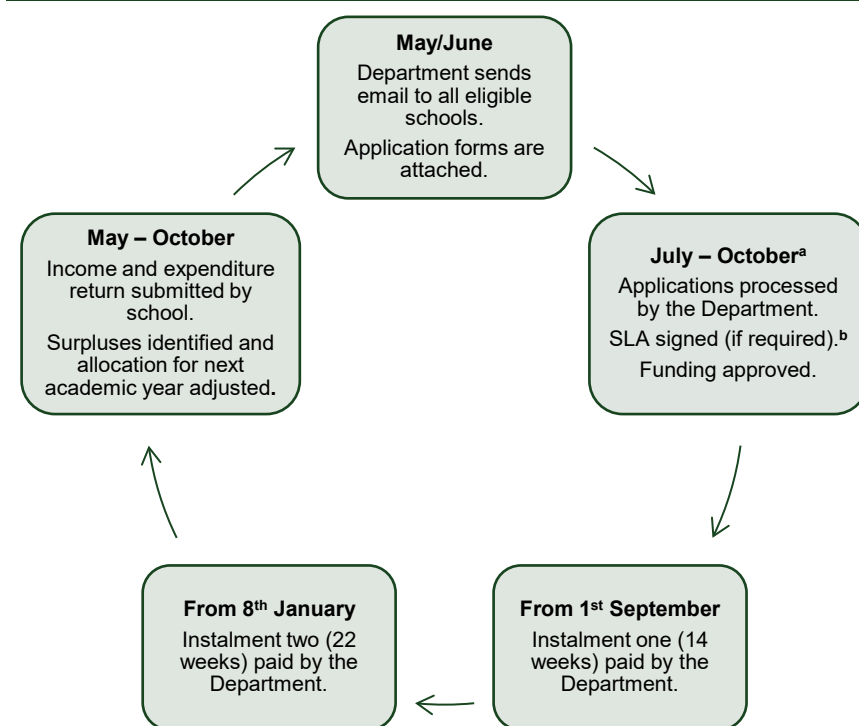
3 The urban school meals scheme is not included within the scope of this examination. Under this scheme, local authorities are generally responsible for procuring food supplies for schools. The scheme is legislated for under sections 273 to 279 of the Social Welfare (Consolidation) Act 1981.

4 The interdepartmental group is led by the Department of Social Protection and includes representatives from the Department of Education and Youth, the Department of Health, the Department of Children, Disability and Equality, and the Food Safety Authority of Ireland.

Funding the scheme

- 26.12** Schools are required to apply to the Department for funding for the school meals scheme on an annual basis. For the 2025/2026 school year almost €255 million was issued to all schools and organisations under the scheme. €213 million (84%) of this related to amounts issued to primary schools. Figure 26.2 sets out the general timeline for the application and approval of funding process for primary schools.

Figure 26.2 Funding process for school meals programme



Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a A closing date of 31 October is listed on the application form, but applications submitted after this date are still processed. For the 2025/2026 school year, 877 schools and organisations applied after this date.
 - b A service level agreement (SLA) between the school and the Department is signed and returned to the school meals unit of the Department before funding can be approved. The SLA is usually for a period of three years.

⁵ The Department stated that rate increases are based on Consumer Price Index movements since the rates were originally set in September 2003, and when the hot school meals rates were set in 2019.

⁶ Sanction for pre-funding of the scheme was provided by the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (Department of Public Expenditure) as required under [Circular 13/2014](#).

- 26.13** Hot school meals are funded at a fixed rate of €3.20 per meal. The rate is mandated by the Minister for Social Protection as part of the annual budget process. It was last changed in 2023 when it was increased by 10% from €2.90 per meal.⁵

- 26.14** The Department provides funding in advance to schools, generally in two instalments based on the full academic year.⁶ The first instalment can be paid from 1 September and covers a 14-week period. The second instalment is paid from 8 January and covers a 22-week period for primary schools.

- 26.15** As part of the application process, schools are required to provide their school roll number, number of children enrolled, supplier details and a declaration that public procurement obligations have been complied with.

- 26.16** Enrolment figures are obtained by the Department from the Department of Education and Youth on an annual basis in June. However, the examination found that for hot school meal funding applications relating to the 2025/2026 academic year, the Department did not verify the enrolment numbers stated on the application forms with the enrolment numbers obtained from the Department of Education and Youth. The Department decided to fund the hot school meals programme based on the enrolment numbers stated on the application form.
- 26.17** The Department stated that the number of students enrolled in a school is not static and can vary throughout the school year. The Department also stated that the enrolment figures declared on the application form relate to the numbers enrolled at the start of the new academic year and represent the most up-to-date information. However, the examination team noted that the school meals application form, up to and including the 2025/2026 form, stated that funding provided to schools will be limited to the previous year's enrolment numbers.⁷
- 26.18** Analysis completed by the examination team indicated that, for the 2025/2026 academic year
- 1,218 primary schools (48%) participating in the scheme had claimed for fewer pupils than the previous year's enrolment numbers. This may reflect falling pupil numbers in some schools and/or less than 100% uptake of the scheme by eligible pupils.
 - 221 primary schools (8%) claimed for meals for the number of pupils recorded at the end of the prior school year.
 - 1,116 primary schools (44%) had listed enrolment numbers on the school meals application form which exceeded the official enrolment numbers maintained on the Department's system. This may reflect increased pupil numbers but could potentially also be due to overclaiming, and may warrant formal explanation of the increased numbers as part of the claim process.
- 26.19** The examination team estimated that the additional student numbers claimed (a total of 7,257) equated to almost €4.2 million funding being issued to primary schools for hot school meals for the 2025/2026 academic year.⁸
- 26.20** The Department stated that it queries substantial differences between the declared enrolment figures and those published for the previous academic year.

Funding surpluses

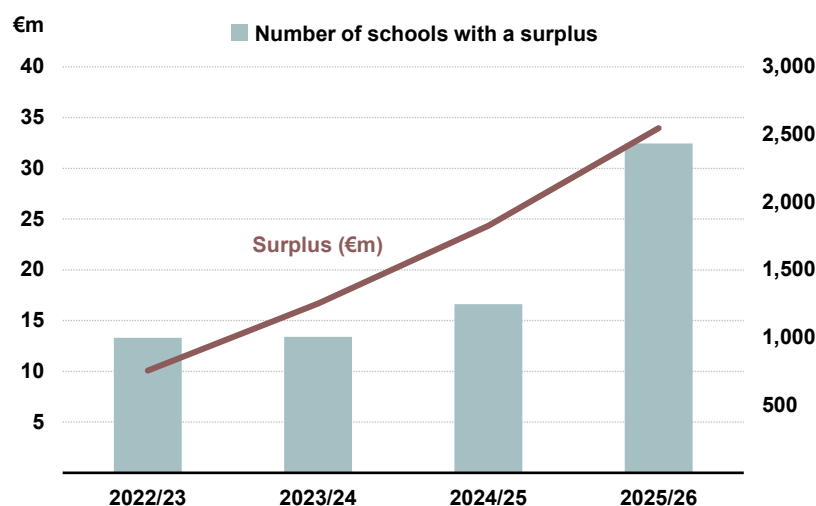
⁷ This stipulation was removed from the form for the 2026/2027 school year.

⁸ This estimation is based on 7,257 pupils in excess of enrolment numbers funded at the standard rate of €3.20 per meal and an assumption that funding was provided for the full academic year (36 weeks).

- 26.21** Funding for hot school meals is intended to be ring-fenced. The letter notifying the allocation of funding specifies how much is funded for each 'club' type (e.g. breakfast club, hot school meals). The amount awarded for hot school meals is based on an assumption that the number of pupils stated on the application form will avail of a hot school meal every day in the period covered. Surpluses of hot school meal funding may arise due to unscheduled absences, meal cancellations and less than 100% uptake rates. Surpluses may also arise due to delays or disruptions to the service provided by school meal suppliers.

- 26.22** Schools are required to provide an annual return of income and expenditure on the school meals scheme (inclusive of all food club types) at the end of the academic year. The return must be supported by bank statements and invoices. The total scheme surplus or deficit is recorded by the school and reconciled to the school's bank account balance.⁹
- 26.23** The number of schools reporting year-end surpluses and the aggregate value of the surpluses reported has been increasing steadily in recent years as eligibility for the hot school meals programme expanded. Almost 88% of participating schools had surplus funds on hand at the end of the academic year 2024/2025. The surplus on hand at the start of the 2025/2026 school year amounts to almost €34 million or 15% of the total scheme funding of €220 million issued for 2024/2025 (see Figure 26.3).

Figure 26.3 Funding surpluses at the start of the academic year^a



Source: Department of Social Protection

Note: a This includes secondary schools and other organisations also. The highest surplus amount for an individual primary school was over €135,000.

- 26.24** The Department of Public Expenditure requires the Department to maintain continued oversight of end-of-year balances and make every effort to keep these to a minimum. The Department manages surpluses by reducing funding for the subsequent academic year by an amount equivalent to the year-end surplus. The surplus is deducted from the first instalment paid in the next academic year.
- 26.25** However, the examination team found that the Department has not reviewed the funding model or assessed data underpinning the funding allocations to potentially reduce surpluses. For example, in awarding funding for the current academic year, the Department does not consider data from the previous year, such as the uptake rates, attendance levels due to planned or unscheduled absences, or whether surplus balances are increasing consistently at an individual school level.

⁹ Schools are required to have a separate bank account for school meals when payments received exceed €10,000.

- 26.26** The Department's approach to pre-fund schools based on a '100% uptake' model increases the exposure to financial management risks associated with advance funding. Although the Department reduces the funding allocated for the next academic year, surpluses continue to arise and are increasing each year. This would indicate that the underlying reasons giving rise to surpluses are not being addressed or managed effectively.
- 26.27** The Department stated that the risk of overfunding based on a 100% uptake model needs to be balanced against the risk of underfunding (e.g. funding provided for fewer pupils than the number of pupils enrolled). The Department also stated that an accurate analysis of surplus balances will not be possible until after the 2026/2027 academic year when more data is available.

Funding deficits

- 26.28** As stated on the application form, funding issued is specific to each food club. Therefore, funding approved for hot school meals should only be spent on the provision of hot school meals. The Department stated that it does not fund any deficits or overspending that may occur. The examination noted that the annual income and expenditure returns are reported by schools at total funding level. Therefore, it is not possible to disaggregate/reconcile the expenditure incurred for each food club — e.g. hot school meals, breakfast club — to the funding allocated specifically for that food club.
- 26.29** For the 2024/2025 school year, 288 schools (12%) had no surplus funds on hand at the end of the academic year.
- 26.30** The examination team identified two schools from a sample of 14 that recorded a deficit on the school meals income and expenditure return at the end of academic year 2024/2025. One other school recorded a nil balance. However, as the expenditure returns are completed on a total funding basis, it was not possible to determine if surplus hot school meal funds were used to meet the cost of other school meal clubs in these cases.
- 26.31** The examination team also observed that in two schools, the scheme bank account was used for purposes other than for the provision of hot school meals. In one case, the amount had been repaid to the bank account the following month. In the second case, the examination team could not see a record of all amounts being repaid to the account. The Department stated that in these cases, the school is advised that the account must only be used for school meal transactions.
- 26.32** The absence of a full detailed review of scheme deficits that are identified increases the risk of irregular payments. The Department should have appropriate financial management controls in place to investigate the circumstances giving rise to scheme deficits at each meal club level to ensure that any errors or potential misapplication or misappropriation of funds are detected in a timely manner and are addressed by the school.
- 26.33** The Department stated that schools are not permitted to use surplus funding in one meal club to fund another meal club, and that any inappropriate use of funding found is fully investigated.

Scheme debt

- 26.34** Debt is raised when surpluses cannot be recovered, for example when a school has amalgamated or has left the scheme. Debts totalling €3.1 million have been raised on the scheme to date, of which €440,000 remained outstanding as at April 2026. In late 2025, the Department of Public Expenditure sanctioned the write-off of 71% of the outstanding balance (€312,620), which related to two historic school meal debts.¹⁰

Funding analysed per supplier

- 26.35** As each individual school is responsible for the procurement, selection and payment of suppliers, there is no central record of amounts paid to suppliers operating within the school meals programme.
- 26.36** The Department obtains supplier details from the information provided by the schools as part of the application process.¹¹ The Department stated that around 300 suppliers provided school meals for the academic year 2025/2026. However, the examination team estimated that €176 million (69%) of scheme funding issued for the 2025/2026 academic year was linked to the five largest suppliers (see Figure 26.4).
- 26.37** The two largest providers were listed as the selected supplier of school meals on the application forms of over 1,100 schools. The examination team noted that these providers are related, with the same Chief Executive Officer and common directors. Supplier A provides meals to schools in 19 counties, and Supplier B is servicing schools in all counties (see Figure 26.5).
- 26.38** A high concentration of schools using large suppliers to provide hot school meals may be indicative of duplication of effort in the buying process — many individual schools undertaking procurement processes and procuring identical services from a small number of large suppliers.

Figure 26.4 Suppliers associated with total school meal funding issued to schools and organisations, for academic year 2025/2026^a

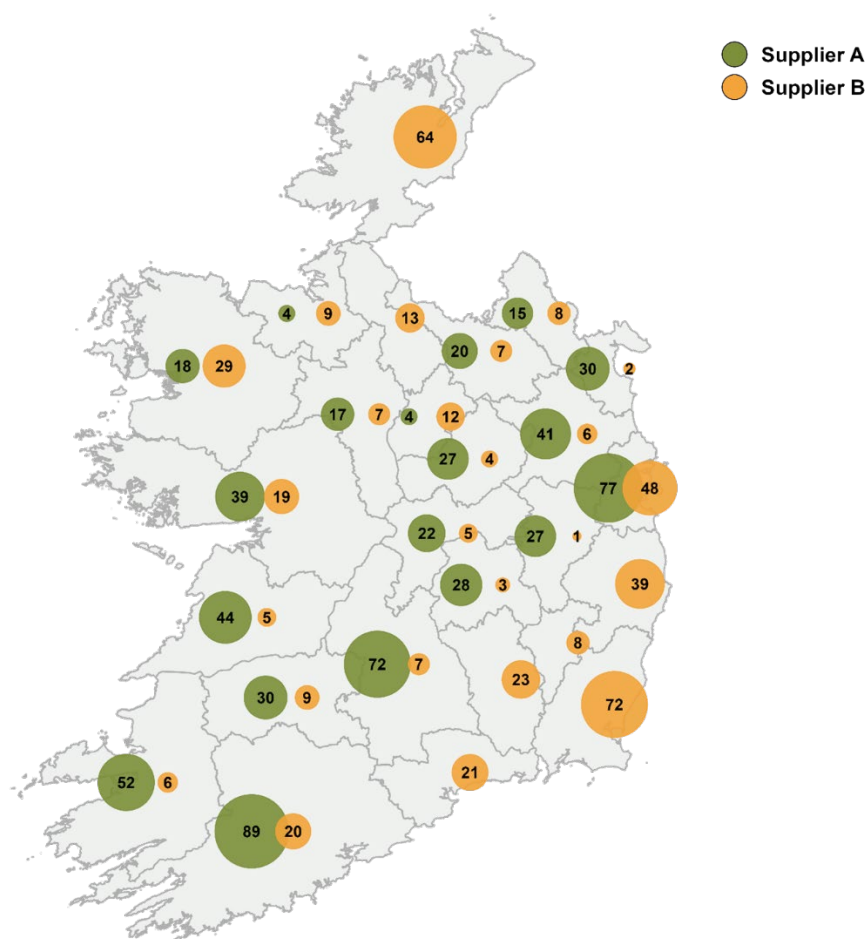
	Number of schools and organisations funded	Number of pupils supported	Total funding allocated 2025/2026
Supplier A	656	119,950	€57.7 million (23%)
Supplier B	447	91,577	€46.1 million (18%)
Supplier C	390	82,072	€38.2 million (15%)
Supplier D	236	38,075	€19.9 million (8%)
Supplier E	85	33,566	€14.2 million (5%)

Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Note: a Total funding shown is that issued by the Department to all schools (including eligible secondary schools) for all school meal programmes. The total issued to schools may not equate to the actual amount paid to the supplier in the year.

10 These amounts relate to losses arising from fraudulent activities in two separate schools dating back to 2006 – 2009 and 2007 – 2012. The Department intends to write off the debts in 2026.

11 Schools are not required to update the Department of any changes to supplier during the academic year. Therefore, the supplier details are based on the information available at the time of application.

Figure 26.5 Number of schools serviced by school meal suppliers A and B

Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

26.39 A high concentration of suppliers also increases the impact that supply chain disruption can have. In September 2025, following changes to the scheme rules implemented by the Department which prevented school staff from heating or distributing meals, the two largest suppliers withdrew from their individual contracts with 112 small (63 pupils or less) schools.¹² The two providers continued to service other schools. The Department supported the impacted schools to assist them in finding alternative suppliers.

26.40 The examination team noted that the interdepartmental group met directly with representatives from the nine largest suppliers to provide updates on changes to the scheme in April 2025. The Department also met with the larger suppliers in December 2025. The Department advised that all other stakeholders are notified of changes through press releases and/or updates to the school meals website.

¹² A minimum notice period of three months is now included in the standardised contract introduced from September 2025.

Public procurement guidance for schools

- 26.41** Public procurement is the process by which public service bodies purchase goods, works and services from suppliers. Public procurement is governed by EU rules and national regulations which are designed to provide for an open, transparent and competitive procurement environment. The Office of Government Procurement has developed guidelines to promote best practice and consistency in the application of public procurement rules.¹³
- 26.42** The primary objective of good public procurement is to ensure that goods and services of the required quality and quantity are acquired at the most competitive rate. This ensures that value for money is achieved for scarce public funds and resources, while also ensuring fairness to all potential interested suppliers.
- 26.43** In general, public procurement can take one of two forms — through a central procurement arrangement or by way of a devolved procurement model. In a devolved procurement model, responsibility for conducting the procurement process rests with each individual operating unit (e.g. school, local authority, hospital, etc.). There are benefits and risks associated with both centralised and devolved procurement (see Figure 26.6).

Figure 26.6 Centralised arrangements and devolved procurement — potential benefits and risks

	Centralised procurement	Devolved procurement
Benefits	- Standardisation - Economies of scale - More efficient process	- Increased flexibilities - More timely decisions - Better support for local suppliers
Risks	- Rigid, inflexible - Longer process - May benefit larger suppliers	- Duplication of effort - Loss of economies of scale - Greater risk of non-compliance

¹³ [Public Procurement Guidelines for Goods and Services](#). The Office of Government Procurement is a specialist unit of the Department of Public Expenditure.

¹⁴ The [Schools Procurement Unit](#) (part of the [Joint Managerial Body](#)) is funded by the Department of Education and Youth and is the central support resource for providing guidance to all primary and post-primary schools (except Education and Training Board (ETB) schools) on procurement-related issues concerning goods and services.

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

- 26.44** It is Government policy that public bodies (including schools) should, where possible, make use of central procurement arrangements, such as frameworks. There are a number of central arrangements in place for schools across a range of service areas (e.g. facilities management and maintenance, and furniture and equipment) as outlined on the website of the Schools Procurement Unit.¹⁴
- 26.45** The website also sets out the potential benefits of central arrangements including cash savings; administrative savings from reduced duplication of tendering; greater purchasing expertise; improved consistency; enhanced service levels and legal certainty.

26.46 However, there is no central purchasing arrangement in place for the provision of hot school meals. The school meals programme operates under a devolved procurement model, whereby it is the responsibility of each individual school participating in the scheme to procure a supplier of hot school meals. Each school completes the process independently and individually.¹⁵

26.47 The Department stated that the interdepartmental working group considered the devolved procurement model to be the most appropriate model to proceed with to ensure that the scheme could be expanded to all primary schools within the planned timeframe.

26.48 The Department of Education and Youth stated that

- it would not have been possible to put central procurement arrangements in place within the timeframe for the expansion of the hot school meals programme
- using a devolved procurement model allowed for increased flexibility (through amendments made to standardised procurement templates) which would not have been possible through a central procurement arrangement
- the introduction of central arrangements would not significantly reduce the administrative burden on schools.

Compliance with public procurement guidelines academic year 2024/2025

¹⁵ ETB schools are supported in their procurement activity by the local ETB administrative office.

¹⁶ [eTenders](#) is a central facility for all public sector contracting authorities to advertise procurement opportunities and award notices, and for suppliers to submit tenders. It is administered by the Office of Government Procurement.

¹⁷ Schools must follow the required procurement process depending on the total estimated value of a three-year contract. There are different rules and processes to be followed depending on the value of the contract, with contracts in excess of €50,000 requiring a full competitive process.

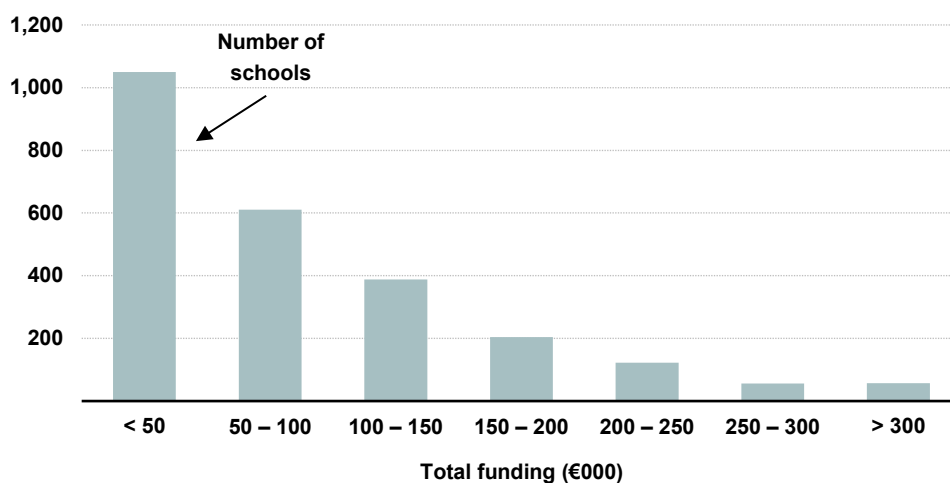
¹⁸ Four other schools did provide evidence of completing a competitive procurement process for the academic year 2025/2026.

26.49 Prior to 2025, there was very little support or procurement guidance provided to schools to manage the purchasing of school meals. The Department of Education and Youth estimated that, in 2024, only around 8% of schools had engaged with the Schools Procurement Unit. Most participating schools had not procured hot school meals through eTenders.¹⁶

26.50 Analysis completed by the examination team found that almost 2,100 schools (84%) received levels of funding in excess of the minimum threshold where, in accordance with national public procurement regulations, a full competitive procurement process should have been carried out.¹⁷ A significant proportion of schools (58%) received over €50,000 in funding for the academic year 2024/2025 alone, and the highest amount paid to an individual school for that period amounted to just over €645,000 (see Figure 26.7).

26.51 The examination team requested procurement documentation and contracts directly from a sample of primary schools who received funding for the academic year 2024/2025. This information is not available from the Department.

26.52 The examination found that there was very little evidence that competitive procurement processes had been completed in line with national public procurement guidelines for those schools that had joined the scheme prior to April 2025. Only one of the 14 schools reviewed — allocated an amount of €24,768 in 2024/2025 — provided evidence of completing a competitive procurement process for that period.¹⁸

Figure 26.7 Funding issued for 2024/2025 to all schools by value

Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

26.53 Each of the 14 schools reviewed had indicated on the funding application form that they had procured a supplier in line with the national public procurement guidelines.¹⁹ However, evidence of this was not requested by the Department at the time of application.

26.54 In 2025, the Department of Education and Youth (as part of the interdepartmental working group) led on the development of procurement guidance and standardised procurement documentation for schools participating in the programme, use of which became mandatory in September 2025.

Interim measures

26.55 At the end of 2024, almost 2,000 primary schools were eligible for the hot school meal scheme. All remaining primary schools became eligible for hot school meals on a phased basis in April and September 2025. As eligibility of the scheme was expanded prior to the revised procurement documentation being made available, the Department issued guidance to all schools as to how to proceed on an interim basis (see Figure 26.8).

26.56 The examination noted that the interim guidance may have led to some schools proceeding in a manner which was not compliant with EU and national public procurement rules and requirements. For example, schools that joined the hot school meals programme in April 2025 were advised by the Department to obtain three written quotes to procure hot school meals for the first period of the 2025/2026 academic year (September to December).

26.57 The Department issued further communication to schools which were expected to exceed the €50,000 threshold requirement for a competitive procurement process based on their enrolment numbers. These schools were advised to contact their supplier and negotiate a contract without a formal procurement process. The Department stated that this instruction was in line with public procurement guidelines as the delay in the availability of the updated procurement documentation was an unforeseen event.

¹⁹ Six of the fourteen schools reviewed were issued funding of over €50,000 each for the 2024/2025 school year.

Figure 26.8 Interim procurement guidance for primary schools issued in July 2025

Scenario	Guidance issued by the Department
Participating primary schools Primary schools that joined the programme prior to September 2025 2,043 schools	Contract in place - Continue with current contract and mandatory use of the standardised procurement documentation when the contract expires. Contract expired - Option to extend until December 2025 with existing supplier. - To immediately commence new procurement process using the new standardised procurement documentation and templates with new contracts to commence from 1 January 2026. Schools eligible in April 2025 - Obtain three written quotes for the period September to December 2025. - To immediately commence new procurement process using the new standardised procurement documentation and templates with new contracts to commence from 1 January 2026.
Newly eligible primary schools Primary schools that joined since September 2025 512 schools^a	Schools eligible in September 2025 - To commence new procurement process using the new Schools Procurement Unit documentation and templates. - May apply for funding for a cold lunch option in the meantime.

Source: Department of Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Note: a This also includes schools that were previously eligible but had not yet joined the scheme.

26.58 The examination team noted that any school with 224 or more pupils availing of hot school meals would automatically exceed the €50,000 threshold requirement for a competitive procurement process for the September to December period alone, based on €3.20 per meal for 70 days over the 14-week period. Further analysis completed indicated that there were 23 schools in this category which received a combined total of almost €4.9 million in funding for 2025/2026.

26.59 The analysis also revealed that these schools were generally provided with funding for the full academic year 2025/2026 rather than for the first period. The Department stated that this was to ensure that there would be no delays in funds to pay suppliers. However, this further increased the amount of advance funding issued by the Department without the requirement to undertake a competitive procurement process being fulfilled.

26.60 For those schools with existing contracts, the Department could not determine how many schools had contracts due to expire nor the duration of the remaining contracts. Details about the contracts between the school and the supplier are neither obtained nor recorded by the Department. Therefore, the potential impact of the Department advising schools to extend their existing contracts out to the end of December 2025 could not be assessed.

Updated guidance for schools

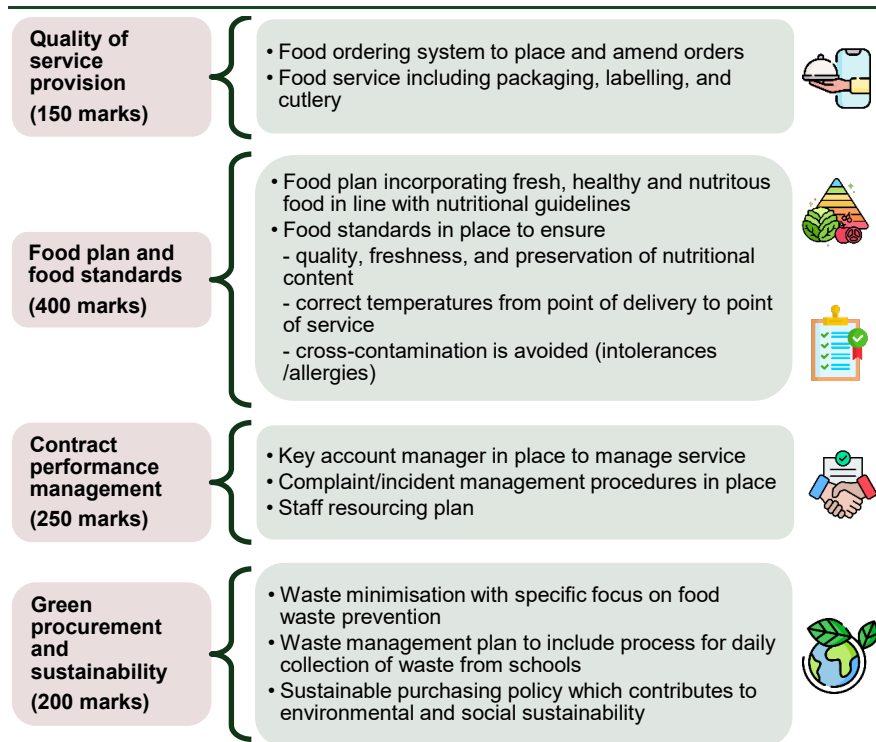
- 26.61** The updated guidance on the public procurement process and standardised templates was made available through the Schools Procurement Unit in August 2025.²⁰
- 26.62** The examination team found a significant improvement in compliance with public procurement rules since the introduction of the updated guidance and standardised templates. From a sample of 16 schools that applied for the scheme for the first time in 2025, 14 provided documentary evidence of the required competitive procurement process undertaken to select a provider of hot school meals.
- 26.63** However, the examination team also noted that for two of three site visits carried out in 2026, the successful tenderer was already in place, or had begun preparations for providing the hot meals, prior to the procurement process being completed.
- 26.64** Such arrangements undermine the objective of a competitive procurement process and reduce the process to a perfunctory administrative task. While the funding application form requires a declaration that the procurement process was completed, the Department currently has no oversight controls in place to assess the effectiveness and appropriateness of the process completed.
- 26.65** Both the Department and the Department of Education and Youth stated that responsibility for the procurement of suppliers is a matter for each of the individual schools as separate legal entities. Contracts are between the school and the supplier and neither Department maintains information about the procurement process undertaken or the contracts in place.
- 26.66** However, the Department has stated that evidence of the procurement process will be sought as part of future funding application processes. The Department has updated the application form for the 2026/2027 school year to include a requirement for the school to state the reference number of the public procurement process undertaken.
- 26.67** The Department of Education and Youth stated that, in July 2026, the Schools Procurement Unit followed up with just over 800 schools who had not yet published a contract award notice (which indicates to potential suppliers that the public procurement process had been concluded). The schools were provided with links to supports available on the website of the Schools Procurement Unit.

20 The standardised documentation includes templates for the call for tender, contract with the supplier, the tender response document and a tender evaluation spreadsheet. A number of webinars with step-by-step guides were also made available.

21 Prior to September 2025, there were no standardised criteria used by schools to select a supplier.

Economy in the procurement of hot school meals

- 26.68** As the rate per meal is fixed, economy must be achieved through managing the right quantity and quality of meals purchased at the agreed rate. Tenders for the hot school meals programme cannot be evaluated on the most competitive unit price: instead, tenders are evaluated by schools based on other factors.
- 26.69** Since September 2025, schools must use a standard evaluation checklist to document selection of a preferred supplier from the tenders or written quotes submitted.²¹ Several qualitative award criteria are considered as part of this evaluation (see Figure 26.9).

Figure 26.9 Qualitative award criteria^a

Source: Schools Procurement Unit. Analysis by the Office of the Comptroller and Auditor General.

Note: a Tenderers are required to achieve the minimum pass rate mark of 70% under each criterion.

26.70 The examination team carried out three site visits to participating schools and discussed the procurement process with 12 other school principals via telephone. Salient observations on the procurement process noted in the feedback from principals included the following.

- One school visited had outsourced the full procurement process to a third-party service provider, at a cost to the school (€984).
- A number of school principals (including for each of the three site visits) stated that complying with the public procurement process was resource intensive and time consuming. No funding is provided for the costs associated with administering the scheme.
- Smaller rural schools reported that it could be difficult to source a supplier. One principal of an island-based school indicated that the additional cost of delivery of school meals to the island (€2,000) had to be met from other funding.

²² The [Nutrition Standards for School Meals](#) were published in 2017 under the auspices of Healthy Ireland, a national initiative which aims to improve the health and wellbeing of the population of Ireland.

²³ The [Nutrition Standards for Hot School Meals](#) were published in 2019.

Food quality

26.71 The standardised hot school meal contract provides that the supplier is responsible for providing a healthy, nutritionally balanced, comprehensive menu and that it is preferable that food items are prepared fresh from raw ingredients. It also provides that the hot meal must be prepared in adherence with two sets of published nutritional standards.^{22,23} The standards were developed by the Department of Health, Saferood and the Health Service Executive.

- 26.72** The examination team reviewed the standards and noted that they detail the quantity of each type of food that should be included in each hot school meal (see Figure 26.10). There is no separate guidance for the preparation, delivery, reheating or serving of the food.²⁴
- 26.73** The Department has stated it is the responsibility of each individual school board to address any issues regarding food quality directly with the supplier. The Department's controls in relation to the quality of the food are limited to obtaining the supplier menu as part of the application for funding process and completing a visual inspection of meals as part of an annual inspection programme carried out by social welfare inspectors.
- 26.74** The Department does not maintain statistics on the number of menus amended or rejected as a result of the checks in place. However, as part of the 2025 annual inspection programme for the school meals scheme, the Department reported that 1.5% of schools reviewed (8) were found to be non-compliant under the nutritional standards category.
- 26.75** In September 2025, the Department engaged a dietician to complete a full nutritional review of the hot school meal scheme.²⁵ The first part of the review focusing on the nutritional value of the meals provided has been completed and submitted to the Minister for Social Protection for consideration. A separate phase of the review (from July 2027 to September 2028) includes a plan to develop tools to assist Department staff in evaluating the meals supplied from a nutritional perspective.

Figure 26.10 Nutrition standards recommendations for hot school meals

Food type	Guidance
Vegetables, salad or fruit 	Two servings • a serving of cooked vegetables (80g) • a serving of fruit: apple, pear, orange or banana (approx. 80g — smaller child size servings for younger children)
Wholemeal cereals and breads, potatoes, pasta and rice 	One serving • a serving of potatoes (two medium or four small; 100 – 120g), pasta, rice or noodles all cooked (1 cup or approx. 90g)
Meat, poultry, fish, egg, beans and nuts 	One serving • a serving of meat (50 – 75 g), poultry (50 – 75g), fish (100g), eggs (2), beans/peas/lentils (120g) or cheese (25g) for vegetarian options

24 Responsibility for guidance on the preparation, re-heating and storing of food rests with the Food Safety Authority of Ireland.

25 The dietician plans to update and amalgamate the two nutritional standards.

Quantity of food

- 26.76** Under the contract, the supplier agrees to provide a hot meal that meets the required standards for the specified rate of €3.20 per meal. The contract does not explicitly provide for the portion size of the meal but rather refers to the nutritional standards.
- 26.77** The standards state that portion sizes should be age appropriate and a guide for primary schools would be to serve at least half an adult portion at the beginning of primary school, moving towards a full adult portion size toward sixth class. In addition, the tender documentation states that menus should provide meal descriptions which should include details of portion sizes appropriate to children, by age.
- 26.78** However, in the sample of schools reviewed, the examination team found that suppliers generally provide one portion size for all pupils. The Department stated that the portion size varies depending on supplier, but it does not have any statistics or further information on portion sizes. The Department also stated that while guidance around portion size is recommended in the nutrition standards, it is not a condition of the scheme.
- 26.79** The examination noted that there is (at least) one large supplier who provides the option to purchase additional snacks/food through the food ordering system (via an app) at a direct cost to the pupil. These transactions are made directly between the parent/guardian of the pupil and the supplier, so the frequency and cost of orders placed for additional food items is unknown.

Number of meals delivered

- 26.80** Orders for hot school meals are generally placed through a mobile app or website by the parent/guardian of the pupil. The standard contract requires suppliers to allow for order cancellations up to 48 hours before the day of delivery. The onus is on the parent/guardian to cancel meals for each individual absence e.g. holidays or illness. Generally, the school has the option to cancel meals for scheduled absences which impact on the whole school or specific school groups e.g. teacher training days.
- 26.81** In line with the contract, late cancellations (within 48 hours of delivery) and unplanned absences are generally not accommodated by the suppliers. In such cases, the meals delivered become excess meals which are billed to the school.
- 26.82** In one site visit completed, it was noted that from a total of 17 meals delivered to one classroom, there were seven excess meals. Five excess meals were delivered without an order being placed, and in the other two cases, the pupils were absent from school that day.
- 26.83** The service level agreement between the Department and the school requires schools to keep a daily record of all students receiving food under the scheme. However, there is no requirement for schools to monitor or report on the number of excess meals provided for unplanned absences, or the number of excess meals delivered as a result of late cancellations. Therefore, the Department cannot estimate the level of ineffective expenditure incurred by schools as a result of charges for excess meals.

- 26.84** The standardised contract also requires delivery dockets to be provided for all meals delivered. The onus is on the school to reconcile the number of meals invoiced to the number of meals delivered before making payments to the supplier.
- 26.85** The Department does request and review a sample of supplier invoices for one month as part of the funding application process. Record keeping is also checked by the Department as part of the annual inspection programme. However, these checks do not allow the Department to identify or address the potential level of excess meals being funded through the scheme.
- 26.86** The Department stated that there will always be a level of excess meals supplied as the reasons for a cancellation cannot always be anticipated and schools, as the contract holders, are responsible for addressing any issues in relation to excess meals with their suppliers.
- 26.87** The examination team noted a number of key observations in relation to the quantity of meals provided during the three site visits attended by the team.
- **Delivery dockets** — No delivery dockets were presented with the meals delivered on any of the three site visits.
 - **Excess meals** — The examination team did not observe any monitoring of the number of excess meals due to unplanned absences or late cancellations. The schools adopted different approaches to excess meals such as meals shared with other pupils, eaten by staff or disposed of.
 - **Default meal orders/opting out** — For one site visit, it was noted that if a pupil did not order a meal, a random meal was provided. The food ordering system in place in that school required the pupil to opt out for 15 consecutive days before the supplier would stop providing a random meal.

Waste management and sustainability

- 26.88** The standard contract provides that the supplier is responsible for handling all waste from the school meals programme and that food waste must be removed on a daily basis. As part of the tender process, the supplier must have a food waste minimisation and waste management plan in place. The documentation also states in a number of places that under no circumstances are students allowed to take uneaten food home.
- 26.89** The Department stated that schools, as the contracting authority, have a responsibility to ensure that food business operators abide by the contract terms. However, in one school (of three) visited, the principal stated that a decision was taken by the school, in conjunction with parents, allowing pupils to bring home uneaten meals.
- 26.90** The standard procurement documentation also requires tenderers to detail how their purchasing policy contributes to environmental and social sustainability and includes a reference to favouring local suppliers to reduce transport miles. However, the evaluation of these qualitative criteria is a matter for each individual school to determine.

26.91 The Department's oversight of the programme does not extend to monitoring these criteria e.g. waste management, transport miles. The examination team observed a number of inconsistencies and a lack of standardisation in the management of waste and sustainability practices in the three schools visited.

- **Waste management** — The examination team observed that suppliers do take responsibility for waste management. However, there is no standard practice. In one school visited, students can bring uneaten meals home.
- **Monitoring of waste** — There was no formal monitoring of the extent of waste or uneaten meals occurring in any of the schools visited.
- **Environmental and social sustainability** — During site visits, the examination team did not observe use of suppliers local to the schools.
- **Opportunities for synergies** — One school visited had arranged with another local school for meals to be prepared at that school and delivered each morning. In another school visited, it was observed that a second, closely located school, was serviced by a different supplier.

Other contractual obligations

Contributions towards costs

26.92 The standard contract and guidance issued by the Department provide that a contribution agreement for utility costs will be agreed between the schools and the supplier where meals are prepared or re-heated on site or using school facilities. However, the guidance does not include information on how the split in costs should be determined. The Department does not review utility contributions as part of the application or annual inspection process.

26.93 The examination team found that contributions are being negotiated between schools and suppliers on an ad-hoc basis. In one case reviewed, a school agreed to pay €1,000 towards the cost of setting up a kitchen in a nearby school for the preparation of the meals. In another case, a supplier agreed to pay the school €25,000 per annum for use of the school's kitchen facilities. In both cases, there were no contribution agreements or supporting calculations provided to show how these amounts were determined.

Service monitoring and performance metrics

26.94 There are a number of terms in the new contract in relation to service management and performance monitoring. The contract states that the supplier should report to the school on key performance indicators.

26.95 The contract also requires the supplier to provide service management reports including details of all students who avail of food on a monthly basis, as well as the results of quality feedback reviews, and measures taken to prevent food waste.

26.96 The examination team found no evidence of such reports being requested by or provided to schools visited for this review. Such information may be useful to the Department to identify trends in the services provided and better inform future decision making on the operation of the scheme. However, there is currently no process in place for this information to be gathered by schools or the Department.

- 26.97** The Department of Education and Youth stated that the reporting requirements and key performance indicators were included within the contract to enable schools to manage their suppliers in delivering their contractual obligations.

Delivery models of service provision

- 26.98** Under the standardised contract there are four service delivery options set out for delivery of hot meals to schools²⁶

- meals pre-prepared off-site and delivered hot and ready to eat
- meals pre-prepared off-site and heated in the school's designated food preparation and/or service area
- meals pre-prepared off-site and heated in the school by use of an external pod or mobile catering unit
- meals fully prepared on site.

- 26.99** The examination team carried out school site visits and observed a sample of delivery models in operation. Annex 26A illustrates the three models observed.

- 26.100** There are different considerations attaching to each service delivery model about how food is heated, packaged and delivered to the pupils. The type of service model used can also have a direct impact on food waste, how excess meals are managed, and how transport miles can be reduced.

- 26.101** An understanding of the type of model used by schools could improve the Department's monitoring of the scheme and inform future scheme planning decisions. However, this information is not collated by the Department and there is no centralised data available on the number of schools using each model of service delivery.

Delivery models — survey results

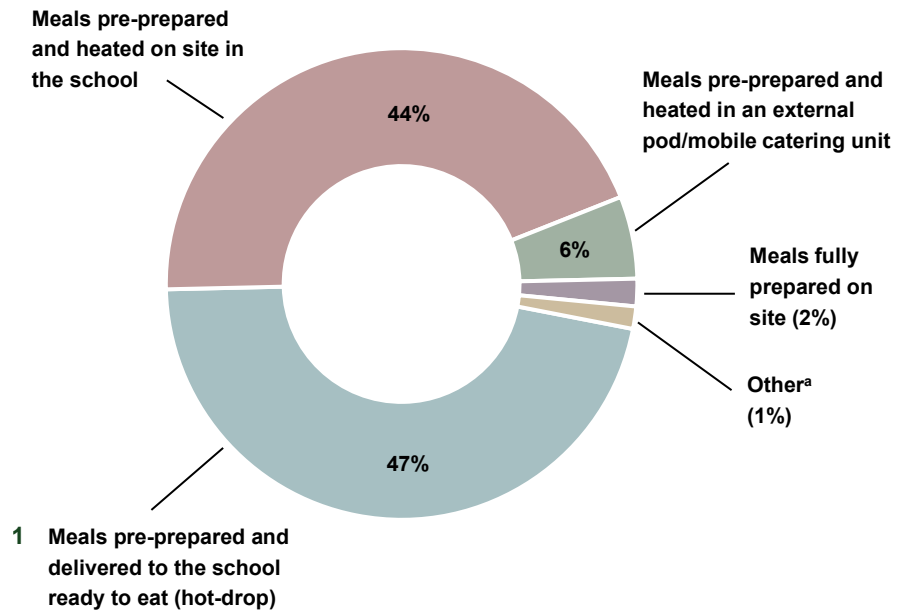
- 26.102** The examination team developed a survey to compile data on how hot school meals were being delivered in participating schools during the academic year 2025/2026. The survey issued to over 2,300 primary schools that were funded for hot school meals for the 2025/2026 school year period. A response rate of 72% was achieved. See Figure 26.11 for results of the survey.

- 26.103** A very small percentage of schools (2% of responses) stated that meals are fully prepared on site.

- 26.104** Half of the schools that responded stated that they avail of hot school meals which are pre-prepared and re-heated on site.

- 26.105** 47% of schools stated that meals were pre-prepared off-site and delivered to the school ready to eat. However, the examination team noted that this category includes both meals prepared fresh that morning and delivered ready to eat, as well as meals that are pre-prepared, stored overnight and reheated off-site before being delivered to the schools.

²⁶ The Department of Education and Youth confirmed that these options are broadly similar to the delivery models in place prior to September 2025.

Figure 26.11 Results of survey — hot school meals service delivery model


Source: Survey responses directly from primary schools

Note: a Other includes no hot meals currently being provided (23 schools). It also includes delivery by boat and taxi for one island school and two schools where the meals are collected by school staff/parental volunteers.

26.106 Notably, 23 schools (1%) responded that no hot meals were currently being provided, despite an amount of €924,876 in advance funding having been paid to these schools by the Department for the academic year 2025/2026.

26.107 Further information on how the delivery models are categorised, and the impact that the type of delivery model used has on the quality and quantity of hot school meals, would provide the Department with more meaningful data on how the scheme is operating in practice.

26.108 The Department has updated the application form for the 2026/2027 academic year to request this information from participating schools.

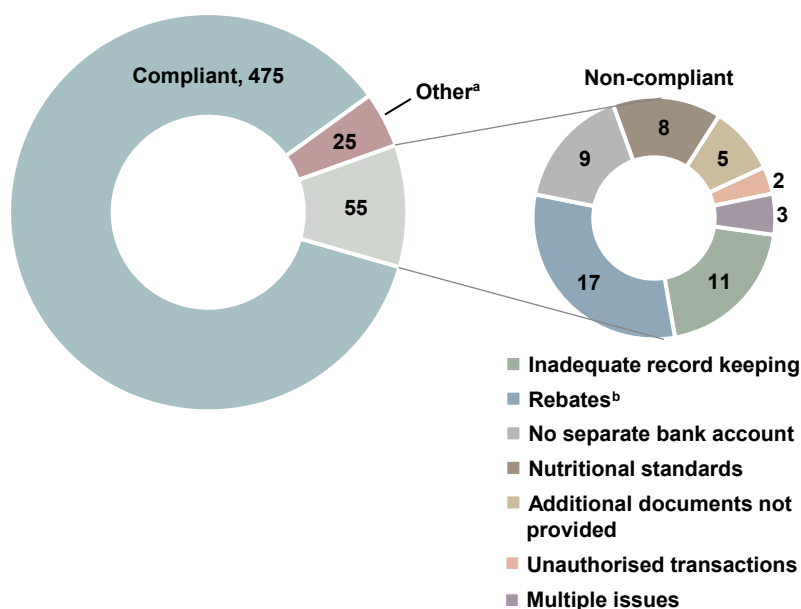
Monitoring of compliance

26.109 The Department carries out reviews of the operation of the scheme by schools on a periodic basis. Social welfare inspectors within the Department carry out approximately 400 site visits to schools and organisations each year to monitor compliance with the scheme. Additional desk-based assessments are also completed each year by the Department's school meals inspection and control team.

26.110 The 2025 inspection programme included 400 schools/organisations selected randomly for inspection visits and 155 desk assessments of schools which had been found to be non-compliant previously or had not been reviewed in recent years. The Department calculated the overall compliance rate at 85% (2024 inspection programme: 76%). This excludes procurement-related compliance issues which were not reported as part of the 2025 inspection programme (see Figure 26.12).

26.111 The Department stated that use of the mandatory procurement documentation is being checked as part of the current inspection programme and will be reported on in the 2026 inspection report.

Figure 26.12 School meal inspection programme results, 2025



Source: Department of Social Protection

Notes: a Other relates to schools that could not be inspected for various reasons (24) and where investigation was still ongoing (one).
b A rebate is a financial or other reward from a supplier to the school (e.g. partial refund, or donations of IT equipment). Rebates are not allowable under the scheme.

Non-compliance

26.112 Schools which are found to be non-compliant are contacted by the Department, advised about the non-compliance issue(s) to be addressed and are given 21 days to respond. The Department stated that funding is suspended until the non-compliant school/organisation addresses the deficiencies, satisfies the compliance criteria and shows evidence of how the necessary corrective actions will be implemented.

26.113 The examination team noted that at the end of the 2025/2026 academic year, funding remained withheld from one school due to an ongoing compliance investigation.

Conclusions and recommendations

Financial management of scheme funding

26.114 The hot school meals scheme has grown significantly in recent years and is now available to all primary schools. The recent expansion of the scheme has resulted in a significant increase in advance funding being issued by the Department. While information is available to the Department that would strengthen financial management controls and assist in keeping surplus funds to a minimum, this is not currently being used. For example

- The Department currently undertakes no verification of enrolment numbers submitted with claims. In 48% of cases, schools claimed for fewer pupils than their prior year enrolment would allow, while 8% claimed for the number previously enrolled. 44% of schools funded for academic year 2025/2026 were awarded funding for numbers which exceeded those enrolled in prior year. The Department accepted the reported numbers on the application form on a good-faith basis.
- The Department funds hot school meals based on an assumption that 100% of the pupils listed on the application form will avail of a hot school meal every day in the period covered. Although the Department requires schools to maintain a record of the number of meals provided, this information has not been used to assess the accuracy of the 100% uptake assumption.
- Although funding issued is intended to be specific to each food club type, income and expenditure returns are completed at a total scheme funding level. This makes it difficult to identify and address factors giving rise to scheme deficits.

26.115 Surpluses are netted off against the amount of funding provided in the following school year, but the amount of surplus funds on hand at the end of each year is continually increasing. Almost €34 million in surplus funding was carried over to the 2025/2026 school year.

Recommendation 26.1

The Department should review its financial management controls to ensure all available information, including enrolment information from the Department of Education and Youth, is being effectively used to safeguard public funds and reduce the level of surplus funding.

In particular, the Department should

- formally introduce a check on enrolment numbers so that any large variances between the number of pupils enrolled and the number of pupils included on the application form are explained at application stage and verified by the Department as part of the annual inspection process
- review the assumptions underpinning the 100% uptake model for hot school meals and carry out an analysis to determine if a more appropriate funding model can be put in place
- ensure there is sufficient information available on the income and expenditure returns to allow the Department to fully investigate deficits arising at food club level.

Accounting Officer's response

Agreed.

The process has been amended for the 2026/2027 academic year. In cases of a large variance, data from the school's primary online database, which shows live enrolment information, will be checked. A record of this check will be maintained for reference.

Timeline for implementation: Q4 2026

An analysis on surplus funding rates will be conducted to inform the funding model and any changes required.

Timeline for implementation: Q1 2027

Schools will be requested to give a breakdown of expenditure by club type on the income and expenditure return for the 2026/2027 academic year and for subsequent years. This will allow an analysis of spending on each club type and investigation of any irregularities to be completed.

Timeline for implementation:

Schools will be informed immediately to commence recording this information. A breakdown of expenditure by club type will be requested from all schools in Q2 2027 as part of the 2027/2028 academic year funding application.

Devolved procurement model

26.116 The scheme operates under a devolved procurement model. Each school is responsible for procuring their own supplier for hot school meals on an individual basis. There is no pre-approved supplier list available. While there are benefits to a devolved procurement model, there are also specific risks to the achievement of value for money.

26.117 This is evident by the emergence of a small number of large suppliers that in effect are receiving a large percentage of the total Exchequer amount funded for school meals. Responsibility for contract management is devolved to a local school level, which inhibits the ability of the Department to deal with any issues that could arise due to supplier over-concentration.

26.118 Also, rapid expansion of the scheme has resulted in individual schools managing complex procurement processes and contracts of significant value. This has resulted in a high administrative burden on schools who may lack the required procurement expertise to deal with such contracts.

26.119 There have been a number of recent improvements to the procurement process, including the introduction of standardised procurement documentation which has improved the level of compliance with public procurement requirements. However, it is important that procurement is used as a strategic tool to drive economy in the provision of hot school meals and does not simply become an administrative exercise. In this context, economy would be reflected in higher food quality, less waste and fewer excess/unused meals paid for.

Quality and quantity of meals and monitoring by the Department

26.120 As the rate per hot school meal is set at a fixed price of €3.20, suppliers are selected based on qualitative considerations which are evaluated by each school. It is a matter for each individual school to evaluate criteria such as food plans, the ordering system in place, waste management and sustainability.

26.121 Responsibility for quality management is devolved to the individual school and to the supplier. Responsibility for the management of the quantity of meals ordered is further removed from the Department and lies initially with the parent/guardian of the pupil.

26.122 The Department currently has limited oversight of the quantity of meals funded from the scheme. While the Department gathers information on the number of meals paid for by the schools, there is no information available on the number of excess meals delivered to schools by the supplier, or the extent of uneaten food. Therefore, it is not possible to calculate the potential level of ineffective expenditure for the scheme.

26.123 Schools are also not required to gather information or report to the Department regarding any quality and/or quantity issues that arise and there is no central oversight or formal analysis of such issues carried out by the Department.

26.124 Due to the devolved nature of the scheme and the lack of data collated centrally from schools as to how the scheme is operating, it is not possible to effectively determine if economy is being achieved by schools in the procurement of hot school meals.

26.125 The contract documentation has been updated to include a number of standard terms and conditions, including waste management, transport miles, service monitoring and performance. A number of key performance indicators are included in the new contract which could be used to better inform future planning of the scheme. However, this information is not currently being obtained by schools or collated/analysed by the Department.

Recommendation 26.2

The Department should ensure that there are appropriate processes in place to gather feedback from the participating schools on how the hot school meals programme is operating in practice e.g. the delivery models used in schools and relevant information from the service reports provided by suppliers.

The Department should ensure it is using the best available information to inform its governance and oversight of the scheme, and to assist in future planning decisions.

Accounting Officer's response

Agreed.

The Department has implemented actions to seek feedback on how the scheme is operating.

As part of the nutrition review of school meals recently conducted by a dietitian (appointed by the Department in 2025), 54 schools were visited, and the delivery models were examined. The recommendations from this review will be implemented over the coming months.

In addition, an independent behaviour and attitudes survey was conducted in June 2026 in all primary schools. Principals, teachers, children, parents and food business operators supplying schools were surveyed. The report on this survey is at final clearance stage.

In relation to the procurement process, key performance indicators and the service reports required to be provided by suppliers to schools will be requested for the 2026/2027 year, as part of the inspection process.

Timeline for implementation

2026/2027 academic year inspections

Annex 26A Hot school meals delivery options — examples from site visits

Delivery option 1 — meals pre-prepared off-site and delivered ready to eat



Source: Office of the Comptroller and Auditor General — school site visit

Delivery option 3 — meals pre-prepared off-site and heated in the school by use of an external pod or mobile catering unit



Source: Office of the Comptroller and Auditor General — school site visit

Delivery option 4 — meals fully prepared on site



Source: Office of the Comptroller and Auditor General — school site visit

27 Allocation of acute adult inpatient mental health beds

- 27.1** The number of acute adult inpatient mental health beds in Ireland has reduced significantly over the last 40 years. This has been a conscious decision reflecting a policy aim to move away from mental health institutions and towards more community-based services for mental health.
- 27.2** *Vision for Change*, Ireland's national mental health policy published in 2006, envisioned that enhanced community-based mental health services would greatly reduce the need for hospital admissions.¹ While the policy acknowledged that there will always be a requirement for an acute hospitalisation service for individuals needing urgent intervention, it encouraged the expansion of mental health service delivery in local communities. It recommended developing a plan to bring about the closure of all mental health hospitals and to reinvest resources arising from the closures into the mental health service. This approach is consistent with the strategic objective within the 2017 Sláintecare programme to integrate the delivery of Health Service Executive (HSE) services at a community level (see Figure 27.1).
- 27.3** *Sharing the Vision*, published in 2020, is the current ten-year mental health policy.² The policy proposes a population-based planning approach to guide the distribution and development of mental health services and supports in Ireland in response to need. The policy contains 100 recommendations for the development of Irish mental health services to be delivered over a ten-year period to 2030. It focuses on prioritising and developing a full suite of services to operate alongside acute inpatient care.
- 27.4** An aspiration of the current mental health policy is to provide the right care in the right place at the right time. The policy aims to enhance the provision of mental health services and supports across a broad continuum, from mental health promotion, prevention and early intervention to acute and specialist mental health service delivery.

Focus of this examination

- 27.5** This report focuses on publicly funded acute inpatient general mental health beds for adults. The examination was undertaken to review

- how the current number and location of acute adult inpatient HSE-registered general mental health beds align with population distribution and whether related targets are being met
- the availability of community-based services.

¹ [A Vision for Change: Report of the expert group on mental health policy](#) (2006).

² [Sharing the Vision: A Mental Health Policy for Everyone](#) (2020).

Figure 27.1 Restructuring within the healthcare system

The *Sláintecare Report*, published in May 2017, sets out a ten-year programme designed to reform Ireland's health and social care system.^a Sláintecare envisioned that a HSE 'national centre' would have a key strategic role in providing national oversight of the regions and overall health and social care system, with a primary focus on planning, enabling, performance and assurance.

Part of the programme of work under Sláintecare is the implementation of health regions. This involves the reorganisation of the HSE into six operational regions. Each health region has responsibility for planning and coordinating the delivery of health and social care services within a defined geographic area.

Under this reorganisation, responsibility and authority for delivering the majority of services have been devolved to the six regions. Health regions are accountable and responsible for understanding the needs of their regional and local populations. This structure replaces the previous structure of hospital groups and community healthcare organisations.

Integrated health areas (IHAs) have been created within each of the six health regions. Each IHA takes account of varying geographic areas, population sizes, local needs and services. They comprise multiple community healthcare networks and community specialist teams.

Source: Health Service Executive

Note: a [Committee on the Future of Healthcare: Sláintecare Report](#) (2017).

Inpatient mental health services

27.6 Inpatient admission occurs after it has been established that an individual's acute mental health care needs cannot be treated appropriately at home e.g. for individuals suffering from severe depression or psychosis. Acute inpatient beds are used in the short term for a specific purpose. Other types of mental health beds — such as continuing care beds — serve different purposes, including catering for individuals requiring longer-term care.

27.7 The Mental Health Commission (MHC) regulates inpatient mental health services across Ireland. Every public and private inpatient facility providing care and treatment to individuals suffering from mental illness is required to register with the MHC as an approved centre.³ As part of registration, facilities are required to provide a variety of information including details of the premises, the number of inpatient beds and the type of services provided.

³ An approved centre is a hospital or other inpatient facility for the care and treatment of persons suffering from a mental illness or mental disorder.

27.8 Inpatient mental health services can be delivered through a range of different bed types, depending on the clinical need of the patient (see Figure 27.2).

Figure 27.2 Mental health bed types

Bed category	Description
Acute adult mental health	Inpatient care for adults experiencing acute mental health difficulties. For people aged 18 years or older.
Child and adolescent mental health	Inpatient care for children and adolescents aged under 18 years.
Continuing mental health care	Long-term care for individuals with chronic or ongoing mental health needs.
Forensic mental health care	Specialised services for individuals involved with the justice system, who present with suspected or confirmed mental health challenges.
Mental health care for individuals with intellectual disability	Specialised care for individuals with both mental health needs and intellectual disability.
Mental health rehabilitation	Inpatient units aimed at helping patients regain independence.
Psychiatry of later life	Specialised care for individuals typically over the age of 65.
Specialist eating disorder services	Specialised care and treatment for individuals with eating disorders.
High, medium and low-support community residences	Residential community-based rehabilitation and recovery services.

Source: Health Service Executive. Analysis by the Office of the Comptroller and Auditor General.

- 27.9** As of September 2026, there were 2,589 inpatient mental health beds in approved centres registered with the MHC. This figure includes public and private beds and a variety of bed types. Approved centres are obliged to notify the MHC of any changes in their operational bed capacity.

Bed targets

- 27.10** The *Vision for Change* (2006) policy set a target of 50 acute mental health beds per 300,000 population. This 50-bed target was broken down by bed type including general adult beds, psychiatry of later life beds, eating disorder beds and intellectual disability beds (see Annex 27A for a full breakdown). Additional provision was made for other requirements including one ten-place crisis house per 300,000 population and one 30-bed unit per 300,000 for continuing care for older people.
- 27.11** The Oireachtas Joint Committee on the Future of Mental Health Care (Joint Committee) was established in 2017 to achieve agreement on the implementation of a single, long-term vision for mental health care and the direction of mental health policy in Ireland. It examined the delivery of mental health services in the context of the implementation of *Vision for Change*.

27.12 The final report of the Joint Committee in October 2018 recommended a target of 50 acute mental health beds per 100,000 population i.e. three times the *Vision for Change* target number.⁴ The target recommended by the Joint Committee was based on both public and private bed capacity and was not broken down into different bed types. The report proposed that the target should be met by the end of 2021.

27.13 *Sharing the Vision* (2020) does not set any specific targets for acute inpatient bed capacity but includes several recommendations in that area.⁵ It notes the need to consider the adequacy of the number of acute inpatient beds provided for the general adult and older adult population. It acknowledges that an assessment of bed capacity should consider the availability of other speciality beds and alternatives to inpatient care. It states that the focus is to prioritise a full suite of services that will operate alongside acute inpatient care and then consider the need for further inpatient beds.

27.14 One of the *Sharing the Vision* recommendations was that an expert group be established to examine acute inpatient bed provision and to make recommendations on capacity. The expert group's report (in June 2024) proposed a phased approach to achieving the 50 beds per 100,000 population target recommended by the Joint Committee in 2018.⁶ Without specifying any associated timeline, the expert group put forward an initial target of 25 beds per 100,000 population.

⁴ [Joint Committee on the Future of Mental Health Care: Final Report](#) (October 2018).

⁵ An update on the implementation status, as at May 2026, of the ten *Sharing the Vision* recommendations relevant to inpatient bed capacity is provided at Annex 27B.

⁶ [Acute Bed Capacity — Report of the Specialist Group](#) (June 2024).

⁷ NIMC steering committee members are selected from the departments and agencies primarily responsible for delivery of policy actions.

⁸ [Sharing the Vision. A Mental Health Policy for Everyone. Policy Implementation Progress Report](#) (May 2026).

⁹ The implementation lead for each recommendation is the person or body responsible for leading and delivering on its implementation.

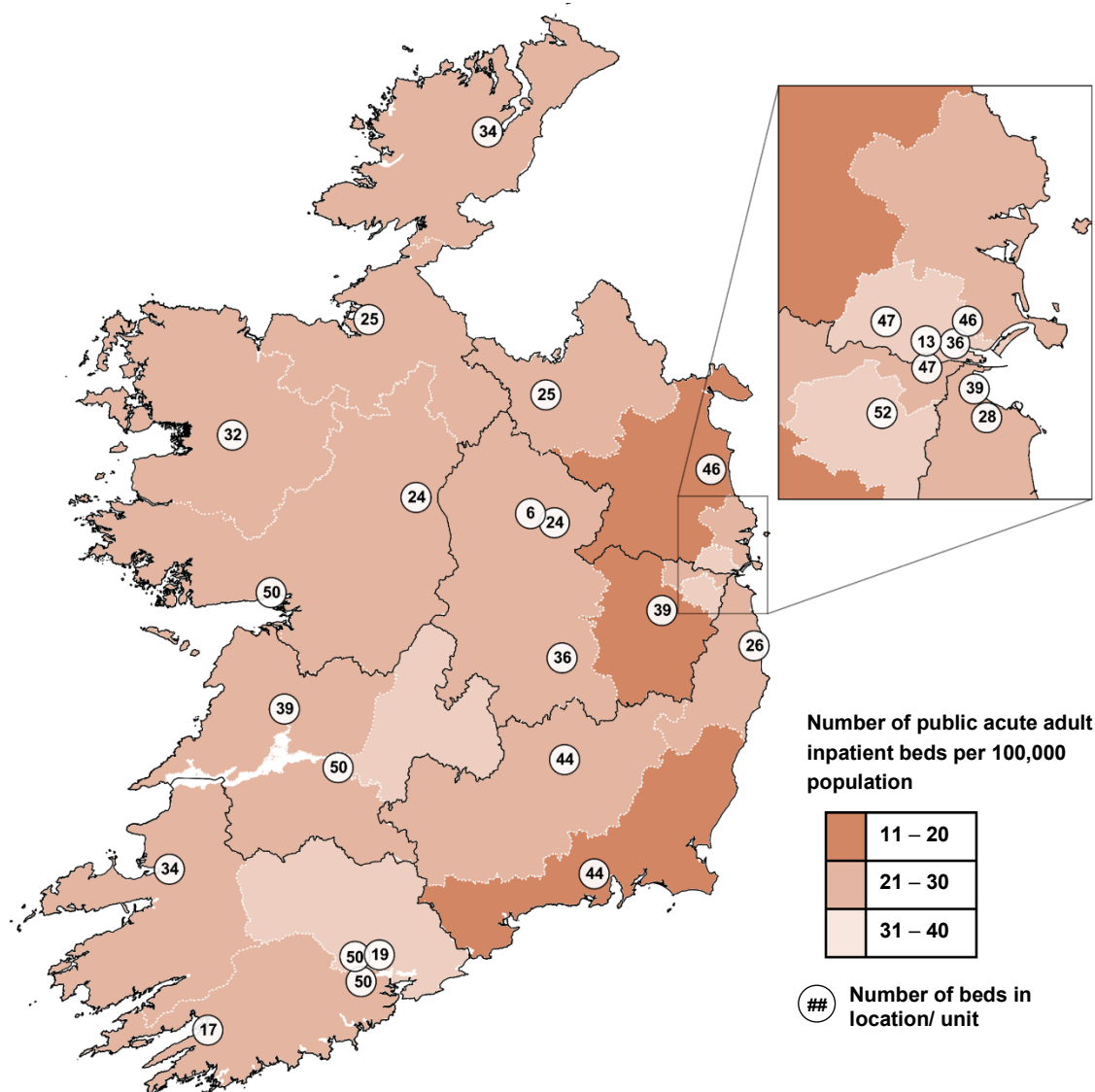
27.15 A National Implementation and Monitoring Committee (NIMC) oversees implementation of *Sharing the Vision* and monitors progress at a national level and strategically across the HSE.⁷ The NIMC publishes periodic progress reports on the implementation of *Sharing the Vision* recommendations. The most recent progress report was published in May 2026.⁸ Data for the progress reports is collated from reporting templates returned by implementation leads, indicating the status of each policy recommendation.⁹

HSE-registered acute adult inpatient general mental health beds

27.16 The HSE has responsibility for consolidating mental health bed capacity information. This data is obtained via a manual count carried out by the approved centres and sent to the HSE. The HSE has stated that it does not routinely collect data on private bed capacity. However, it reported that in 2024 it commissioned 385 external placements, for varying lengths of time, in private facilities at a total cost of approximately €80 million. Comparable information for 2025 is not yet available.

27.17 Data on acute adult inpatient beds, continuing care beds and other speciality beds was collected by the HSE through a bed census undertaken in November 2021. The HSE has stated that it is planning to carry out another bed census in November 2026 that will encompass all bed types.

Figure 27.3 Number of registered acute adult inpatient general mental health beds and average rate of beds per 100,000 of the adult population for 2025^{a,b,c,d}



Source: Health Service Executive. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a Population data excludes individuals aged under 18 years (as separate child and adolescent inpatient services cater for that population) and is based on the 2022 census of population.
 - b The circles indicate the general location of HSE-registered adult inpatient facilities and the number of beds in each facility. It excludes forensic beds located in the Central Mental Hospital.
 - c Population and number of beds were amalgamated to obtain bed rates per 100,000 in Dublin North City and North West; Midlands; Dublin South East and Wicklow; Cork South and West; Cork North and East; and Galway and Roscommon.
 - d The bed rates per 100,000 are based on public acute general adult beds and population aged 18 years and over. It excludes other types of beds such as private beds, forensic beds, child and adolescent beds, continuing care beds etc.

- 27.18** According to the HSE, there were 1,022 publicly registered general acute adult inpatient beds nationally at the end of 2025, located across the State (see Figure 27.3). This represents an average rate of 26 beds per 100,000 of the adult population — 52% of the target provision recommended by the Joint Committee on the Future of Mental Health Care in 2018.¹⁰
- 27.19** The map shows the distribution of the HSE-registered general adult inpatient facilities across the country and the number of beds in each facility. The bed ratio per 100,000 of the adult population in each of the 20 IHAs is indicated through map colours — the darker the colour, the lower the bed ratio.
- 27.20** Most areas fall within the range of 21 to 30 beds per 100,000 of the adult population. None of the 20 IHAs is currently achieving the 50 beds per 100,000 adult population target recommended by the Joint Committee. The bed rates for Louth/Meath, Kildare/West Wicklow and Waterford/Wexford are below 21 per 100,000.

Site visits

- 27.21** The examination team undertook site visits to four facilities, together accounting for 161 (16%) of the national total of publicly registered general acute adult inpatient beds according to HSE figures (see Figure 27.4). The main purpose of the visits was to test whether the number of beds reported was an accurate reflection of the beds available and operational at each facility. The occupancy rate shown relates to the night before each site visit.

Figure 27.4 Mental health facilities visited, April 2026

Facility	Integrated health area	Bed number	Beds operational	Occupancy rate
Drogheda Department of Psychiatry	Louth/Meath	46	46	96%
Cluain Mhuire ^a	Dublin South East	34 ^b	34	79% ^c
Lakeview Unit, Naas General Hospital	Kildare/West Wicklow	29 ^d	29	100%
Tallaght Hospital	Dublin South West and West	52	47 ^e	94%

Source: Health Service Executive. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a Cluain Mhuire is a community-based adult mental health service. It purchases access to inpatient beds on an annual basis from St John of God University Hospital.
 - b In 2025, there were funds for the purchase of access to 28 beds. The funding provided in 2026 was increased to an amount that would allow the purchase of access to up to 34 beds.
 - c Twenty-seven beds were occupied, twenty-six by Cluain Mhuire patients and one by a patient of St John of God University Hospital. Seven beds were vacant.
 - d The Lakeview Unit has 29 beds. There is an agreement with Midlands Regional Hospital for the use of ten additional beds, if necessary.
 - e Five beds were not operational due to ongoing construction work. The occupancy rate is by reference to the operational beds.

¹⁰ This figure relates solely to acute general adult inpatient beds and excludes other bed types such as continuing care beds, forensic beds, child and adolescent beds and private acute adult inpatient beds.

- 27.22** Drogheda Department of Psychiatry, opened in 2016, is an acute psychiatric unit for adults living in counties Louth and Meath. The unit has 46 inpatient beds, 44 of which were occupied the night before the site visit. The IHA served by Drogheda Department of Psychiatry has one of the lowest bed ratios — 17 beds per 100,000 of the adult population. When mental health services for the region moved to the facility, there was a reduction in capacity of nine beds. Permission has been granted for a two-storey extension to the facility that will include ten additional beds. The facility sources access to private beds when the need arises e.g. for patients with a complex eating disorder presentation. Some complex presentations may go to the UK for targeted specialised treatment. The purchase of access to private beds must be funded from within the facility's budget.¹¹
- 27.23** Cluain Mhuire is a community-based adult mental health service serving a defined catchment area within the Dublin and South East region. St John of God Community Services is a section 38-funded health service provider.¹² Cluain Mhuire purchases bed access from St John of God University Hospital annually, effectively providing public inpatient mental health care in a private hospital. The hospital sets the price per bed, and the number of beds available to Cluain Mhuire is determined by its available budget. However, securing funding for 34 beds does not guarantee the availability of 34 inpatient beds for a particular year, as beds are not ringfenced for use by Cluain Mhuire. Where the need arises, Cluain Mhuire can negotiate and access other inpatient beds in other approved centres. At the time of the site visit, the occupancy rate was 79%. While seven of the beds were vacant, Cluain Mhuire only pays for the beds used, so the 'underoccupancy' does not represent a financial loss.
- 27.24** The Lakeview Unit, located at Naas General Hospital, provides care for adults with varying mental health needs. The unit serves adults living in Kildare and West Wicklow. It is an inpatient facility with 29 beds and community-based services attached. The Lakeview Unit has an agreement with the Midlands Regional Hospital in Portlaoise whereby ten additional beds can be allocated for use by Lakeview, if necessary. However, the ten beds are not ringfenced for the Lakeview Unit, so the Midlands Regional Hospital admits patients to these beds from its own catchment area when required. At the time of the visit, the Unit's 29 beds were all occupied and seven other patients had been admitted to the Midlands Regional Hospital from Lakeview. When there are capacity issues, the Unit will also reach out to other units and negotiate access to available beds. It can also source access to private beds where the need arises. There are plans to build a new psychiatric unit in Naas General Hospital which will increase the current bed capacity by 21 beds.

¹¹ When access to a private bed is to be purchased, three quotes will be sought or the access might be sourced from a contract in place via the HSE.

¹² A 'section 38'-funded provider is a voluntary healthcare organisation funded under section 38 of the Health Act 2004 to deliver services on behalf of the HSE.

- 27.25** The approved centre at Tallaght Hospital is a 52-bed acute inpatient facility serving four community mental health areas within the Dublin South Central region. The service provides acute inpatient care to adults within the designated area. It is the largest publicly funded adult general mental health inpatient unit in the State. The unit is currently undergoing construction works to update anti-ligature measures and fire upgrade works. The construction works will be carried out over five phases to minimise service disruption with the expectation that work will be completed by November 2027. At the time of the site visit, capacity had been reduced to 47 beds due to the construction works. The occupancy rate of the remaining beds was 94%. If capacity becomes an issue, the unit reaches out to other approved centres to try to source available beds. The unit will also purchase access to private beds where necessary, the price of which depends on the level of care required by the patient. The consultant or clinical team will identify a suitable bed based on the patient's needs and the Head of Services will then source funding.
- 27.26** Three of the facilities visited had occupancy rates higher than 90%. All of the facilities identified the occasional need to negotiate and source beds from other public facilities or to purchase access to private beds from other centres. In instances where maintenance work or remodelling is required within facilities, operational bed numbers are impacted. Other environmental factors such as infection prevention control measures or staff shortages may also impact on bed operational capacity. Beds are managed locally by the clinical management teams.

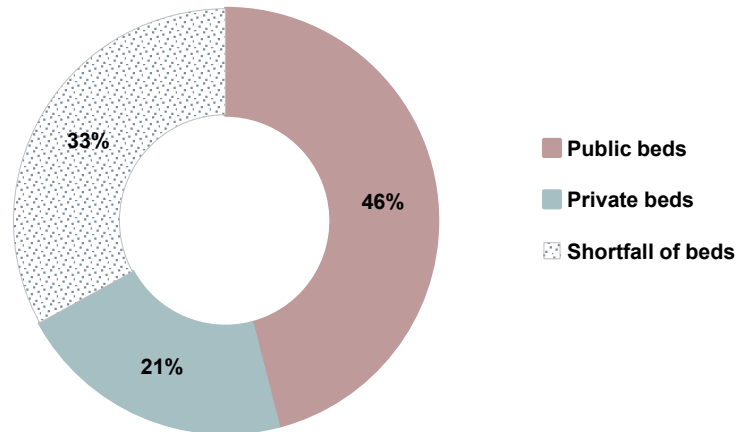
Capital planning

- 27.27** As part of the implementation of *Sharing the Vision*, a specialist group reported on acute mental health bed capacity in June 2024.¹³ The group drew from a range of sources, including reports from the MHC and the bed census undertaken by the HSE in November 2021.
- 27.28** The specialist group recorded 1,134 public and 523 private acute mental health beds nationally at the date of the bed census. This represented a shortfall of 832 acute inpatient beds when measured against the 50 beds per 100,000 population rate recommended by the Joint Committee on the Future of Mental Health in 2018 (see Figure 27.5).¹⁴
- 27.29** The report makes several recommendations, including to increase the number of acute inpatient mental health beds based on population size. A phased approach to the increase is proposed, aiming for an initial minimum 25 beds per 100,000 population. The report highlights that this should be supported by strong community-based services, better patient flow and more specialist care to reduce discharge delays and inappropriate placements. It also notes the importance of adequate staffing numbers, more research and better use of data to plan and manage services.

¹³ [Acute Bed Capacity — Report of the Specialist Group](#) (June 2024).

¹⁴ The shortfall identified by the specialist group was based on population data from the 2016 census.

Figure 27.5 Percentage of beds compared to the Joint Committee target of 50 beds per 100,000



Source: *Acute Bed Capacity — Report of the Specialist Group*. Analysis by the Office of the Comptroller and Auditor General.

- 27.30** Findings from the acute bed capacity report have been incorporated into the work of a Mental Health Capital Planning Group. This group has been tasked with completing an initial assessment of all existing registered mental health facilities, with a focus on infrastructural regulatory compliance. The HSE stated that a detailed capital plan will be developed, on a facility-by-facility basis, outlining the infrastructure works required to achieve full regulatory compliance. Each region has been requested to submit a ten-year capital plan, taking account of any current bed shortfall, population needs and plans to meet population increases across all age ranges. The May 2026 implementation progress report for *Sharing the Vision* notes some delays in the capital planning group receiving information on existing infrastructure from HSE health regions.
- 27.31** The Department of Health (the Department) stated that it has established a joint working group with the HSE to develop a ten-year mental health capital plan covering the period to 2037. The plan will draw on facility mapping, regional inputs, service requirements, regulatory obligations, programme for government commitments and national policy priorities. It will be structured across three-year, five-year and ten-year planning horizons and will address both inpatient and community mental health infrastructure requirements. The near-term phases of the plan will identify specific priority projects and investment requirements, while the longer-term horizon will set out the strategic direction, capacity requirements, and future infrastructure needs for mental health services.

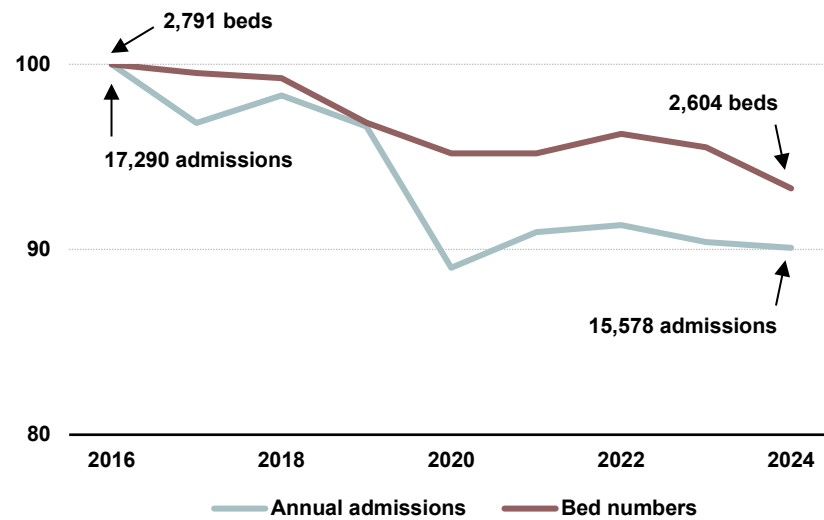
- 27.32** As a key input to the ten-year capital plan, the Department has commissioned the Economic and Social Research Institute (ESRI) to develop projections of demand and bed capacity requirements for public psychiatric inpatient services up to 2040. The ESRI projections will be based on data in respect of population growth and ageing, length of stay reduction associated with community service developments, regional bed utilisation trends, and associated factors. The Department stated that the ESRI projections will support the development of a strategic capital plan for acute inpatient mental health beds that reflects demographics and service needs and is aligned with national mental health and strategic health infrastructure investment policies.

Oversight, demand and allocation

- 27.33** Health regions have operational accountability for all public mental health services, including Children and Adolescent Mental Health Services (CAMHS), general adult services, mental health services for older persons and inpatient units.
- 27.34** The HSE stated that demand for inpatient mental health beds is assessed and managed locally by consultant psychiatrists with input from the wider multidisciplinary team and in line with local governance structures. Decisions on whether to admit patients to mental health beds consider multiple complex factors including clinical requirements, legal status under mental health legislation, service demands, risk and protective factors, safeguarding, environmental suitability and therapeutic staffing ratios.
- 27.35** The HSE stated that bed management is incorporated into governance structures regionally and locally. Discharge meetings and bed management meetings endeavour to ensure optimal usage and appropriateness of bed allocation. Bed occupancy and vacancy data is captured and monitored daily.
- 27.36** Catchment areas are allocated to consultants who have admission rights to inpatient mental health beds in their areas. If no bed is available, they can liaise with other consultants to arrange for a patient's admission, either to a HSE facility in another area or to a private service. The practice of securing admissions in this way was observed by the examination team during the site visits and appears to be commonplace.

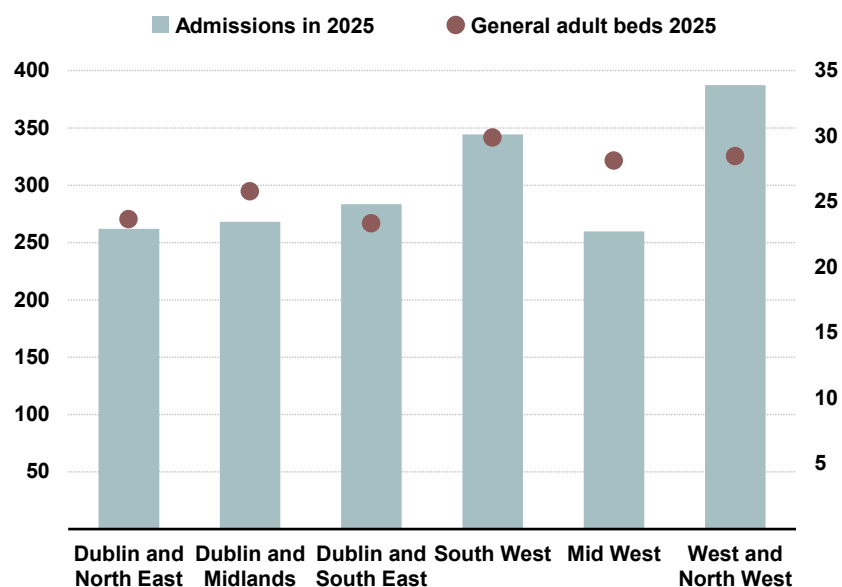
Hospital admission rates

- 27.37** There was an 11% decline in annual admissions to public and private psychiatric facilities between 2016 and 2020 (see Figure 27.6). The number of admissions has remained relatively consistent since 2020, averaging around 15,600 annually. Bed numbers for all types of psychiatric beds decreased by 7% from nearly 2,800 in 2016 to just over 2,600 in 2024.
- 27.38** At a regional level, HSE West and North West had the highest admission rate for adults, at 387 admissions per 100,000 of the adult population (i.e. aged 18 years and older) for 2025 (see Figure 27.7). This was 49% higher than the admission rate in the Midwest. In contrast, the number of HSE-registered acute general adult inpatient beds per 100,000 of the adult population was similar for both regions (28 per 100,000 in 2025).

Figure 27.6 Index of all psychiatric beds and admissions to psychiatric facilities (2016 = 100), 2016 to 2024^{a,b,c}

Source: Health Research Board (admission numbers); Mental Health Commission (bed numbers). Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a Includes patients of all ages admitted to public and private facilities.
 - b Includes all types of beds (public, private, acute, adult, child and adolescent, continuing care, etc.).
 - c The latest year for which complete data was available at the time of this examination was 2024.

Figure 27.7 Adult admissions to HSE psychiatric facilities and number of HSE-registered acute general adult inpatient beds, per 100,000 of the adult population, by health region^{a,b,c}

Source: Health Research Board (admission numbers); Health Service Executive (bed numbers). Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a Includes admissions for patients aged 18 years and over to HSE facilities. Excludes admissions to private hospitals.
 - b Includes HSE-registered general acute adult inpatient beds as at the end of 2025.
 - c Bed ratio per 100,000 is based on public acute general adult beds and population aged 18 years and over. It excludes other types of beds such as forensic beds, continuing care beds, child and adolescent beds etc.

Community-based mental health services

- 27.39
Mental health services are provided by the HSE across both hospital and community settings (see Figure 27.8). Any limitations in capacity or population alignment within community services may increase reliance on inpatient care.
- 27.40
Community mental health teams (CMHTs) may provide generalist mental health services and supports or specialised mental health services for specific conditions or patient cohorts. The HSE stated that other supports available alongside CMHT input include peer support services, mental health recovery education and personal development programmes, employment placements, brief crisis intervention, support groups, addiction services, telehealth, psychotherapy and counselling services.
- 27.41
Referrals to CMHTs will often come from a patient’s general practitioner. Once a patient has been referred, the CMHT can offer an assessment of mental health needs and provide supports such as therapeutic services, psychoeducation and pharmacology interventions.¹⁵ Social supports available can include relationship, family and peer support and educational and employment assistance.
- 27.42
The structure and staffing of CMHTs can vary in response to local needs. However, the HSE stated that a typical CMHT consists of a registrar, an administrator, a consultant psychiatrist, a clinical psychologist, a social worker, a social care worker, an occupational therapist, two clinical nurse specialists and four psychiatric nurses.

Figure 27.8 Community-based mental health services

Service	Features
Community mental health teams	Network of mental health teams (general adult, child and adolescent, mental health services for older people) where individuals can access multidisciplinary supports.
Community-based residential supports	Residential settings with varying levels of supervision and support. These residences are currently unregulated. ^a
Crisis resolution services	Provide immediate person-centred intensive supports e.g. crisis resolution teams, Solace cafes.
Specialist mental health services	Include psychiatry of later life, perinatal mental health, adults with intellectual disabilities, early intervention in psychosis, self-harm and suicide ideation, dual diagnosis, eating disorders, and assertive outreach.
National Counselling Service	Provides free counselling services to adults who experienced childhood abuse or neglect or are former residents of a mother and baby home.
Primary care	Provides key mental health supports including psychology services, counselling, addiction services and allied health care.

Source: Department of Health

Note: a The Mental Health Act 2026 was signed into law in May 2026. The Act will see community mental health services, including residential services, registered and regulated.

15 Therapeutic services can include psychology, occupational therapy, speech and language therapy, dietetic services and social work care.

- 27.43** The *Vision for Change* policy specified that there should be at least one fully staffed general adult mental health team per 50,000 of population. This target was restated in *Sharing the Vision*. The targeted ratio of CMHTs to population is being achieved in all regions (see Figure 27.9).

Figure 27.9 Community mental health teams, ratio per 50,000 population

Integrated health area	General adult mental health CMHTs ^a	Psychiatry of later life CMHTs ^b
Dublin and North East	1.88	1.94
Dublin and Midlands	1.53	1.80
Dublin and South East	1.71	2.46
South West	2.11	2.10
Mid West	2.22	2.20
West and North West	2.01	3.02

Source: Health Service Executive. Analysis by the Comptroller and Auditor General.

Notes: a Based on the population in each IHA aged 18 to 64 years.

b Based on the population in each IHA aged 65 years and over.

- 27.44** The importance of comprehensive and well-resourced, community-based services that can operate alongside acute inpatient care was emphasised in *Sharing the Vision*. Through site visits and analysis of information provided by the HSE, it was noted that some CMHTs are operating on a catchment-wide basis rather than being geographically aligned and others are not operating with fully resourced teams.

Conclusions and recommendations

- 27.45** For many years, successive mental health policies in Ireland have envisioned a move away from institutionalised care and towards more community-based services for mental health. Policies have however also recognised that acute inpatient care will always be a vital element within mental health services for individuals experiencing severe and acute psychological distress.
- 27.46** The Mental Health Commission publishes high-level information on bed capacity in its annual reports, based on registration reporting. The most recent census on mental health beds was carried out by the HSE in November 2021.
- 27.47** Accurate and up-to-date information on all types of available beds and community-based services across the country is required to evaluate current service levels and to inform decisions on future capacity, especially in the context of a rapidly growing and shifting population. Information obtained through a bed census such as number of beds occupied, operational beds compared to registered beds, and information on continuing care beds and other speciality beds allow for a thorough analysis of bed capacity.

Recommendation 27.1

The HSE should carry out another bed census to establish the numbers and locations of all categories of mental health beds (including acute adult inpatient beds, child and adolescent beds, private beds, continuing care beds and speciality beds); and should put a procedure in place for regular censuses thereafter.

Chief Executive Officer's response

Agreed.

A comprehensive mental health bed census is planned for November 2026. As part of this work, scoping will be carried out in relation to putting a robust procedure in place for regular bed censuses. Further censuses will be planned on a biannual basis.

Timeline for implementation

November 2026

27.48 Setting targets can play an important role in ensuring that there is sufficient mental health bed capacity nationally and that beds are spread evenly across the regions. The target — of 50 acute mental health beds per 100,000 population — commonly used for mental health bed capacity dates back to a Joint Oireachtas Committee report from 2018.¹⁶ A specialist group, reporting in June 2024, identified a requirement for an additional 832 acute inpatient beds nationally to reach the 50 beds per 100,000 population target.¹⁷ The specialist group's report recommended a phased implementation approach, aiming for an initial minimum of 25 beds per 100,000 population.

27.49 Figures provided to the examination team by the HSE as at the end of 2025 show regional variations in acute general adult inpatient bed capacity. Most areas fall within the range of 21 to 30 beds per 100,000 of the adult population with Louth/Meath, Kildare/West Wicklow and Waterford/Wexford having 20 or fewer beds per 100,000 of the adult population.

27.50 High occupancy rates were observed at three of the four mental health facilities visited by the examination team. In addition, several instances were noted of units sourcing beds in other facilities or purchasing access to private beds to manage short-term capacity issues. This practice can be time consuming for the facilities and raises potential value-for-money issues. The HSE informed the examination team that in 2024 it sourced 385 external placements, for varying lengths of time, in private facilities at a total cost of approximately €80 million.

Recommendation 27.2

The HSE national centre should ensure that there is a robust system in place to gather comprehensive information on the extent to which mental health facilities resort to sourcing capacity from the private sector, including data on the cost, the numbers of patients, treatment types and accommodation days.

¹⁶ [Joint Committee on the Future of Mental Health Care: Final Report](#) (October 2018).

¹⁷ [Acute Bed Capacity — Report of the Specialist Group](#) (June 2024).

Chief Executive Officer's response

Agreed.

The HSE agrees in principle. Enhanced reporting on private placements will be developed through governance arrangements involving health regions and the HSE centre.

Timeline for implementation

Quarter 1 2028

- 27.51** The specialist group, reporting in June 2024 on implementation of the *Sharing the Vision* policy, made a number of recommendations concerning acute mental health care. For example, they recommended an increase in the number of acute inpatient beds on a phased basis, better patient flow, adequate staffing numbers and better use of available data.

Recommendation 27.3

The recommendations of the acute bed capacity report have been incorporated into the work of the National Mental Health Capital Planning Group. A plan and timeline to cost, prioritise and implement other recommendations of the group should be created and routinely monitored and reported upon.

Chief Executive Officer's response

Agreed.

Recommendations have been incorporated into the capital planning group workstreams. Where the recommendations do not relate to capital planning, they are being addressed within the appropriate governance lines within the HSE.

Timeline for implementation

The ten-year Mental Health Capital Plan will be completed by the end of 2026 and will inform decisions on bed numbers and strategic investment priorities up to 2037. Recommendations not relating to capital planning will be addressed within the annual budget cycle for minor capital funding within the individual health regions.

- 27.52** A recently established Department of Health and HSE joint working group is developing a ten-year mental health capital plan for the period to 2037. The capital plan will be informed by projections, currently being developed by the Economic and Social Research Institute, on demand and bed capacity requirements for public psychiatric inpatient services up to 2040. The Department stated that the ten-year mental health capital plan, to be completed by the end of this year, will inform decisions on bed numbers and strategic investment priorities up to 2037.

- 27.53** The current mental health policy, *Sharing the Vision*, emphasises the importance of comprehensive and well-resourced community-based services operating alongside acute inpatient care. The target of having one fully staffed general adult mental health team per 50,000 of population is being met in all regions. There is no clear correlation between the inpatient admission rate by region and the availability of community-based services.

Annex 27A Inpatient bed targets in the *Vision for Change* (2006) policy

Inpatient care

- One acute inpatient unit per catchment area of 300,000 population with 50 beds to be used as follows
 - 35 beds for general adult mental health services, including six close-observation beds
 - eight beds for mental health services of older people (sub-unit)
 - five beds for mental health services for people with intellectual disability (sub-unit)
 - two beds for people with eating disorders (may be amalgamated in one unit per region of six beds).
 - This acute inpatient unit should be located in the 'Major' or 'Regional' hospital, while taking into account the location of existing units (can be provided in two units of 25 beds each).
 - One crisis house per 300,000 with ten places.
 - Four intensive care rehabilitation units — one in each of the four HSE regions, with 30 beds each.
 - Two high support intensive care residences of ten places each, in each HSE region (a total of eight residences with 80 places nationally).
 - One unit with 30 beds per 300,000 population for continuing care/challenging behaviour for mental health services for older people.
 - Ten rehabilitation beds in intellectual disability residential centres which have approved centre status.
 - One hundred inpatient beds nationally for 0 – 18-year-olds, in five units of 20 beds each.
 - Ten-bed national secure unit for children and adolescents.
 - Ten-bed national secure unit for those with intellectual disability.
-

Source: [*A Vision for Change: Report of the expert group on mental health policy*](#) (2006)

Annex 27B Recommendations relating to inpatient capacity in the *Sharing the Vision* (2020) policy

Recommendation ^a	Action ^b	Status ^c (at May 2026)
38 In the exceptional cases where child and adolescent inpatient beds are not available, adult units providing care to children and adolescents should adhere to the Child and Adolescent Mental Health Services (CAMHS) inpatient Code of Governance.	Ensure adherence to the CAMHS inpatient Code of Governance nationally.	Complete, transferred to business as usual.
40 Sufficient resourcing of home-based crisis resolution teams should be provided to offer an alternative response to inpatient admission, when appropriate.	Develop and resource home-based crisis resolution teams.	In progress.
41 A standard operating guideline should be developed to ensure that sufficiently staffed day hospitals operate as effectively as possible as an element of the continuum of care and as an alternative to inpatient admission.	a) Develop and publish standard operating guideline. b) Provide additional staffing in day hospitals.	In progress.
45 HSE should collate data on the number and profile of delayed discharges in acute mental health inpatient units and develop appropriately funded responses.	a) Collate data on the number and profile of delayed discharges in acute mental health inpatient units. b) Develop appropriate funding and service responses to minimise delayed discharges.	In progress.
46 An expert group should be set up to examine acute inpatient (approved centre) bed provision (including psychiatric intensive care units) and to make recommendations on capacity reflective of emerging models of care, existing bed resources and future demographic changes, with such recommendations being aligned with Sláintecare .	Set up an expert group to examine acute inpatient (approved centre) bed usage and develop recommendations.	Complete, transferred to business as usual. Acute bed capacity report published highlighting a number of recommendations.
47 Sufficient psychiatric intensive care units should be developed with appropriate referral and discharge protocols to serve the regions of the country with limited access to this type of service.	a) Develop psychiatric intensive care units to meet identified need. b) Agree updated referral and discharge protocols.	In progress.

Recommendation ^a	Action ^b	Status ^c (at May 2026)
50 The development of a national network of mental health intellectual disability teams and acute treatment beds for people of all ages with an intellectual disability should be prioritised.	Develop national network of mental health intellectual disability teams and acute treatment beds.	In progress. Some areas experiencing some difficulties in terms of recruitment.
53 The national mental health clinical programmes for (a) eating disorders, (b) adults with ADHD and (c) the model of care for specialist perinatal mental health services should continue to have phased implementation and evaluation.	a) Develop/review the implementation plans for these clinical programmes/model of care. b) Undertake phased implementation and resourcing of clinical programmes for eating disorders, adults with ADHD and specialist perinatal mental health services. c) Undertake evaluation studies of relevant demonstration sites.	Minor delivery issue noted with the national mental health clinical programme for adults with ADHD — relates to the high number of referrals and limitations in service capacity.
56 The development of further intensive care rehabilitation units (ICRUs) should be prioritised following successful evaluation of operation of the new ICRU on the Portrane campus.	a) Carry out a comprehensive evaluation and review of the ICRU on the Portrane campus. b) Develop a national plan for the development of ICRUs. c) Undertake phased implementation of the national ICRU development plan.	Minor delivery issue noted — relates to recruitment challenges and the fact that existing funding only allows for a part of the Portrane ICRU to be opened.
98 Capital investment should be made available to redesign or build psychiatric units in acute hospitals which create a therapeutic and recovery supportive environment. It is essential that all stakeholders are involved in a structured service design process for all redesigns or new builds.	a) Invest in co-produced redesign and/or building of psychiatric units in acute hospitals. b) Include in all future primary care new building developments appropriate settings for delivery of a mental health service.	Minor delivery issue noted — relates to initial delays that were experienced in receiving information from HSE health regions on existing infrastructure.

Source: Department of Health, Health Service Executive, National Implementation and Monitoring Committee. Analysis by the Office of the Comptroller and Auditor General.

Notes: a Recommendations are from [Sharing the Vision: A Mental Health Policy for Everyone \(2020\)](#).
 b Actions are from the [Sharing the Vision implementation plan 2025 – 2027](#).
 c Status updates are from the [May 2026 policy implementation progress report](#).

Annex 27C Community mental health teams, by region

Mental health service teams	Dublin and North East	Dublin and Midlands	Dublin and South East	South West	Mid West	West and North West
Population (million)	1.19	1.04	1.01	0.74	0.41	0.76
Adult services	Number of teams					
General adult mental health	28	20	21	19	11	18
Psychiatry of later life	6	5	8	5	3	8
Mental health services for older people (liaison)	2	1	1	—	—	1
Adult eating disorder	2	—	2	1	—	1
Intellectual disability adult	5 ^a	6	3	2	—	5
ADHD adults	1	2	1	2	1	1
Early intervention in psychosis adults	1	—	1	2	—	1
Dual diagnosis	1	1	—	1	1	—
Specialist perinatal ^b	1	1	1	1	1	1
Child services						
Child and adolescent mental health	19	17	15	11	7	12
CAMHS eating disorder	1	1	1	1	—	1
Intellectual disability child and adolescent	3	3	1	1	—	2
Early intervention in psychosis CAHMS	—	—	1	—	—	—

Source: Health Service Executive. Analysis by the Office of the Comptroller and Auditor General.

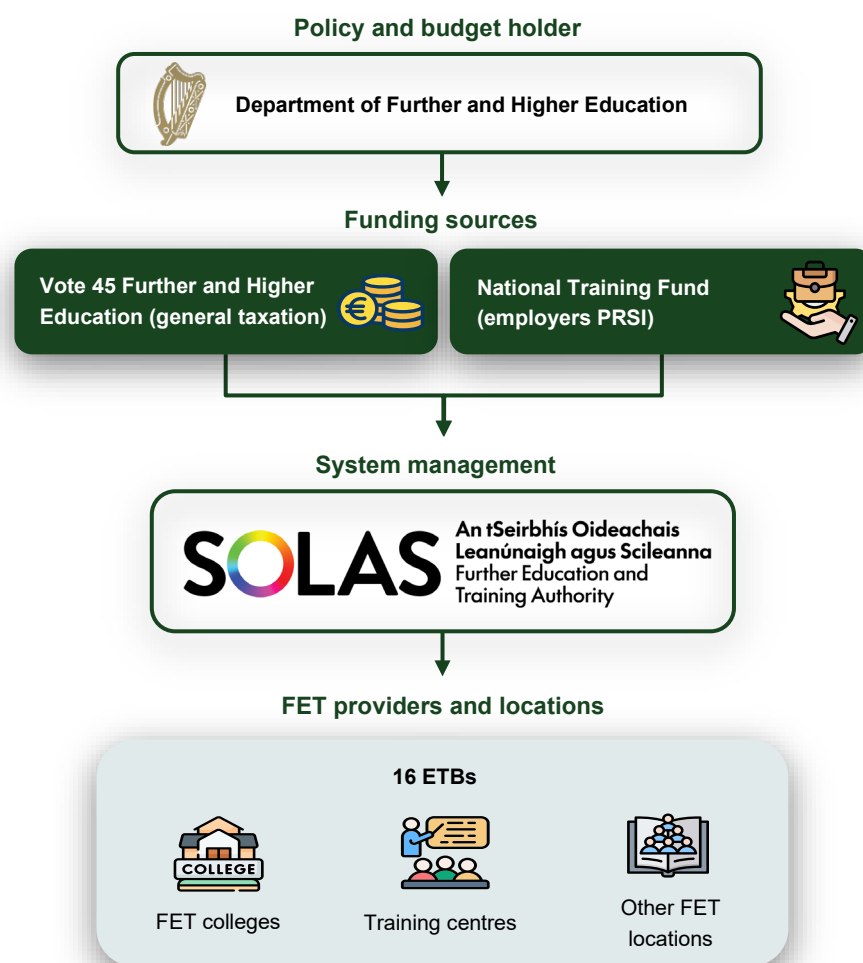
Notes: a Includes an inpatient team in Portrane.

b Perinatal services are located in the Rotunda Hospital, Coombe Hospital, the National Maternity Hospital, Cork University Hospital, Limerick University Hospital and Galway University Hospital with 13 additional spoke sites (smaller regional maternity units) nationally.

28 Delivery of effective further education and training

- 28.1** The further education and training (FET) system provides post-second-level education and skills training programmes outside of the higher education sector. It caters for learners aged 16 years and over, including school leavers, jobseekers, and those who want to reskill or upskill.
- 28.2** The Department of Further and Higher Education, Research, Innovation and Science (the Department) is responsible for setting policy direction for the FET system. SOLAS is responsible for developing and implementing the national FET strategy to support the delivery of relevant policy objectives.¹
- 28.3** The Department allocates funding and oversees the performance of SOLAS. In turn, SOLAS allocates funding to 16 education and training boards (ETBs) and coordinates FET provision nationally (see Figure 28.1).²

Figure 28.1 Further education and training system



¹ SOLAS — An tSeirbhís Oideachais Leanúnaigh agus Scileanna — was established under the Further Education and Training Act 2013 as an agency of the Department.

² SOLAS allocates around 90% of the funding it receives to ETBs. It also allocates funding to other providers of FET services including the National Adult Literacy Agency and Aontas (a national adult learning organisation).

Focus of this examination

28.4 The examination was undertaken to review

- whether the FET system is allocating and managing funding in a way that reflects learner demand
- the new funding model introduced in 2022
- the alignment of FET provision with identified labour market skills needs.

28.5 The examination team interviewed management of SOLAS and of three selected ETBs, and issued information requests to the Department, SOLAS and the ETBs. The examination team also reviewed relevant documentation and various reports produced by SOLAS and other organisations on national skills and labour market demand.

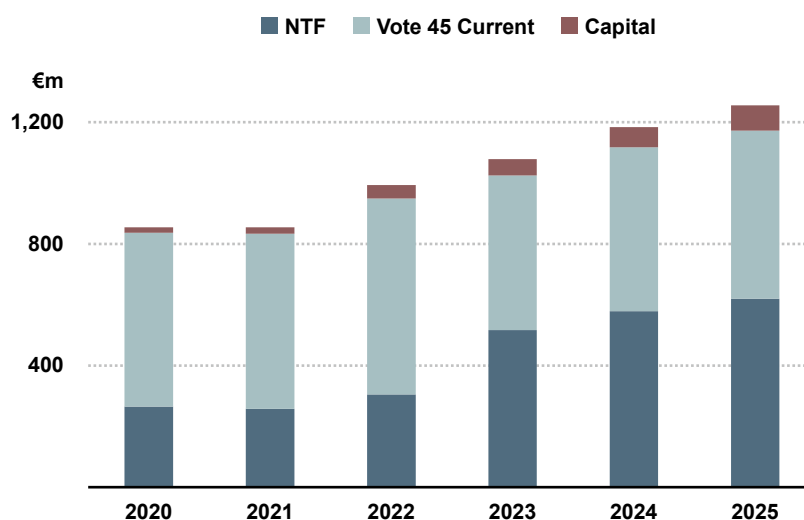
Funding structure

28.6 SOLAS receives funding from the Department, sourced from both Vote 45 and the National Training Fund (NTF). In turn, SOLAS distributes this funding across the FET system.

28.7 Annual funding for the FET system has increased significantly in recent years, rising from approximately €800 million in 2020 to over €1.2 billion by 2025 (see Figure 28.2). Most of that increase relates to NTF funding which was up by nearly 135% (€356 million). Capital funding grew by €67 million over the same period.³

28.8 The Department has responsibility for the management and utilisation of the resources of the NTF, which is financed by a levy on employers (currently 1% of reckonable earnings paid through PRSI).⁴ The NTF supports training that improves workforce skills and addresses labour market needs. It finances apprenticeships, traineeships, skills programmes for workers and enterprise-focused training initiatives.

Figure 28.2 Source of FET system funding, 2020 to 2025



³ To date, capital funding to SOLAS has been provided by the Exchequer through Vote 45. The [National Training Fund \(Amendment\) Act 2025](#), signed into law in December 2025, permits capital expenditure from the NTF for the first time.

⁴ See *Report on the Accounts of the Public Services 2022*, chapter 19, [National Training Fund](#).

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

- 28.9** Vote 45 funds the broader, socially oriented and education-focused FET courses, especially those supporting inclusion, second-chance education and community learning.
- 28.10** While the Vote and NTF funding allocations have different policy objectives, some areas of FET provision address both social inclusion and labour market objectives. As a result, some FET programmes may draw funding from both sources depending on the purpose, target learners and intended outcomes of individual education and training interventions.
- 28.11** SOLAS is also responsible for the strategic planning of national FET provision based on labour market analysis, and for monitoring performance and outcomes.
- 28.12** The 16 ETBs are statutory bodies, governed under the Education and Training Boards Act 2013. ETBs plan, manage and deliver FET courses locally. Programmes are offered in further education colleges, training centres and a range of adult and further education centres delivering FET programmes.
- 28.13** The FET system offers a wide variety of education options (see Figure 28.3).

Figure 28.3 Further education and training programmes

Full-time programmes	Part-time and flexible programmes
• Apprenticeship • Youthreach • Traineeship • Post Leaving Certificate • Vocational Training Opportunities Scheme (VTOS) • Bridging/foundation courses • Specific skills training	• Skills to Advance • Skills to Compete • Skills for Work • Back to education initiative • Adult literacy and numeracy • Community education • English for Speakers of Other Languages • Evening FET courses • Blended learning courses
Third party providers ^a	Digital delivery
• Local training initiatives • Community training centres • Specialist training providers	• eCollege

Source: SOLAS

Note: a In some cases, ETBs engage third-party training providers to support the delivery of specific courses, specialist expertise, or additional training capacity.

FET demand

- 28.14** Learner demand for FET courses is identified from several data sources and feedback loops that together show what people want to study and where demand is growing.
- 28.15** The most direct demand measures are the numbers of course applications and enrolments, the ratio of course applications to places available, and the numbers on waiting lists for oversubscribed courses. This data is collected by ETBs and national systems like the Programme and Learner Support System (PLSS).⁵
- 28.16** FET learner demand is measured using a demographic-based modelling approach developed by SOLAS. The model combines population projections from the Central Statistics Office, broken down by age, gender and region, with observed participation rates in FET, derived from PLSS.
- 28.17** The demand forecasting methodology used by SOLAS, known as the participation ratio method, applies current age and gender-specific participation rates to projected population data to estimate future demand. This approach assumes that participation patterns remain broadly stable over time, while scenario analysis is used to account for variables such as migration, fertility, and labour market conditions.
- 28.18** During 2023 – 2024, the model was revised to incorporate data from the Census of Population 2022 and enhanced scenario modelling, with the aim of improving the accuracy of demand projections.⁶ This work was commissioned and overseen by the Department, with input from SOLAS and other stakeholders. The Department published the final report in July 2026.⁷
- 28.19** Demand for programmes in identified skills needs areas is also measured through structures like Regional Skills Fora, by engagement with employers, learners and education providers and identification of skills shortages and local interest in courses.⁸

5 PLSS was fully implemented across all ETBs and other SOLAS-funded providers during 2017. The system records total enrolments, completions (along with certification, if any) and outcomes (employment, further studies) of learners.

6 The original analysis underpinning the model utilised the Central Statistics Office population projections for the period 2016 – 2037, derived from the 2016 Census demographic data.

7 [Projections of Demand for Further Education and Training 2025 – 2042](#), published July 2026.

8 The Regional Skills Fora comprise nine collaborative partnerships, funded by the NTF, across Ireland designed to connect employers with education and training providers.

9 The National Skills Council is made up of high-level representatives from Irish industry, social partners and the main non-governmental stakeholders.

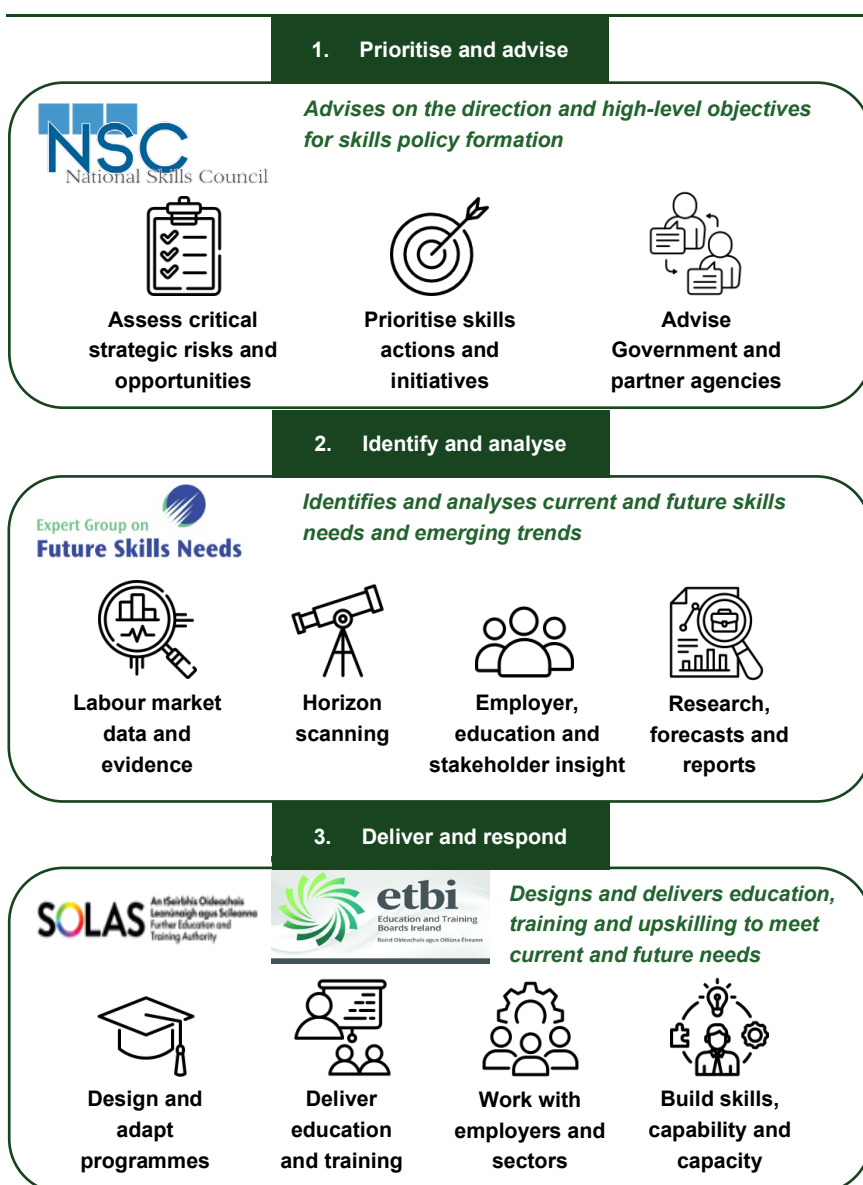
Identifying labour market skills needs

- 28.20** Understanding of labour market and skills trends in Ireland is informed by a combination of national analysis, expert advisory structures and international evidence.
- 28.21** The national early warning system for skills shortages and future workforce needs consists of three elements — the National Skills Council, the Expert Group on Future Skills Needs and the Skills and Labour Market Research Unit in SOLAS (see Figure 28.4).
- 28.22** The National Skills Council is a non-statutory body that advises on workforce development, skills governance and lifelong learning.⁹ The Council advises on how the education and training system responds effectively to labour market needs by focusing on high-impact areas and how to develop a coordinated government approach to skills development.

28.23 The Expert Group on Future Skills Needs (the Expert Group) is an independent advisory group to the Irish Government regarding skills and labour market needs.¹⁰ The core functions of the group include to forecast future skills needs, to conduct research on emerging areas (e.g. artificial intelligence (AI), climate-related skills) and to advise on education and training system changes. The Expert Group produces reports with recommendations and action plans.

28.24 SOLAS also analyses and forecasts national labour market and skills needs through its own specialised Skills and Labour Market Research Unit. The role of the research unit within SOLAS is to provide evidence to support planning and policy in the FET system. The unit gathers and analyses datasets, including information on employment, education, sectoral demand and any skills mismatches.¹¹

Figure 28.4 Skills and labour market needs system



¹⁰ The Expert Group comprises representatives of employers, education providers, unions and government agencies like SOLAS.

¹¹ Reports published by the SOLAS Skills and Labour Market Research Unit are available [here](#).

Source: SOLAS; Expert Group on Future Skills Needs. Analysis by the Office of the Comptroller and Auditor General.

- 28.25** SOLAS plans FET provision in line with national skills priorities directed by the Department and informed by the work of the Expert Group, strategic advice from the National Skills Council and data from its own research unit.
- 28.26** Across all information sources, the most consistent finding is shortages in ICT/digital/AI, engineering and construction, healthcare, and green/climate-related jobs.
- 28.27** The Department expects that a planned new National Skills Observatory will strengthen Ireland's skills intelligence landscape.¹² The aim is to enhance the future skills pipeline and provide education and training responses with greater precision and foresight.
- 28.28** At an international level, the OECD provides comparative evidence through its skills and labour market reports, offering insights on global trends such as skills demand, shortages, and the impact of structural changes like digitalisation and the green transition. These analyses help to benchmark Ireland's performance and to identify emerging risks and opportunities.
- 28.29** For Ireland, the OECD highlights very high vacancy rates for ICT and 'green' jobs (e.g. ICT vacancies are more than double the average for vacancies across all sectors). It identifies digitalisation as a major driver of change in the world of work. Alongside demographic, environmental and global economic shifts, digital technologies are reshaping jobs, skills requirements and labour market demand.
- 28.30** SOLAS national skills bulletins and annual 'difficult to fill vacancies' reports have repeatedly identified skills shortages in the same sectors, primarily due to a lack of suitably skilled candidates. The findings indicate strong demand for these skills, with employers offering increasingly higher salaries and accepting lower experience levels in response to recruitment challenges.
- 28.31** The OECD has reported that vacancies for green jobs in Ireland are on average 82% higher than for jobs in other sectors.¹³ Climate transition is becoming a major driver of skills demand, similar to digitalisation. Recent research from the Skills and Labour Market Research Unit in SOLAS highlights that 75% of employment in Ireland now requires some level of green skills, underscoring the growing importance of sustainability across all sectors of the economy.¹⁴
- 28.32** The OECD finds that for 34% of workers, there is a mismatch between their own skills and the skills required to do their jobs. SOLAS research highlights that both under-skilling (worker cannot meet job requirements) and over-skilling (worker's skills are underutilised) are a feature of the labour market. Consequently, the concern is not just about skills shortages — it also relates to the allocation and utilisation of skills that already exist.

¹² The establishment of a National Skills Observatory is one of the deliverables in the [National Digital and AI Strategy 2030](#), published in February 2026.

¹³ [Job Creation and Local Economic Development 2024 – Country Notes: Ireland](#), OECD, November 2024.

¹⁴ [Spring Skills Bulletin 2025: Is Ireland Truly Green? Measuring Green Jobs and Skills in the Irish Labour Market](#).

Expansion of high-demand provision

- 28.33** Annual government support for apprenticeships, at over €410 million in core funding in 2026, has more than doubled since 2020. From 2020 to 2025, apprentice numbers increased by 59% to more than 31,000.
- 28.34** The investment in 2026 is supporting additional training capacity, including almost 1,600 apprenticeship places across high-demand areas such as electrical, carpentry, mechanics or plumbing. This investment also supports the continuation of additional places introduced in 2024 and 2025.
- 28.35** High-demand programmes (especially apprenticeships, construction, digital, and green skills) are being expanded everywhere but the increase is uneven and there is a challenge to ensure that provision can match demand in growth areas as it arises.
- 28.36** In total, over 400,000 FET places were taken up in 2024.¹⁵ The learner base has expanded by a quarter since 2022. There has been strong growth in digital, sustainability and robotics through the *Skills to Advance* programme, and online learning. In 2024, the number of unique learners enrolling in eCollege had increased by 38% compared to 2022.
- 28.37** Phase 2 apprentice training capacity expanded by 45% in 2024, increasing the number of apprentices that could participate in the first off-the-job training stage, which includes practical workshop and classroom-based learning. The Department stated that this expansion was a priority response to address large and rising backlogs driven by Covid-related disruptions. The significant increase in apprenticeship registrations in 2024 required extra infrastructure e.g. training facilities, equipment, workshop and instructor capacity, and employer coordination. Given the close relationship between apprenticeship activity and the wider economy, the system is sensitive to changes in employer demand and broader economic shocks.
- 28.38** The Department stated that the system must remain responsive to employer demand because craft apprenticeships operate on a demand-led basis.¹⁶ It stated that planning is underway for expansion of the apprenticeship system to meet the government target of 12,500 registrations annually by 2030, of which two thirds are in craft or construction sectors.

¹⁵ Individual learners may take up more than one FET place in a year due to the short duration or part-time nature of some courses. The number of unique learners in 2024 was just over 230,000.

¹⁶ SOLAS stated that future demand forecasting for craft apprenticeships is undertaken to inform planning and the development of capacity where required.

¹⁷ FET also has a social inclusion mandate. SOLAS supports social inclusion by improving access to, and participation in, FET for disadvantaged and underrepresented groups.

Supply of FET — availability and capacity of training

- 28.39** The supply of FET programmes reflects both the national strategic direction set by SOLAS and local planning by individual ETBs (see Figure 28.5).

Programme offerings and identified sectoral priorities

- 28.40** At system level, FET is mandated to respond to national economic and skills priorities.¹⁷ SOLAS works with employers and regional stakeholders to ensure programmes are “responsive to the rapidly evolving skill needs” including digitalisation, climate change and demographic change.

- 28.41** Decisions to expand or increase capacity in high-demand FET programmes are informed by a combination of factors e.g. labour market intelligence, policy priorities, system performance data, and learner demand. Programme expansion is implemented over multiple years to ensure sustainability and impact.

Figure 28.5 Roles of SOLAS and ETBs in deciding FET supply

Area	Role of SOLAS	Role of ETBs
Strategic direction	Develops and proposes national FET strategy	Align local provision with national strategy
Performance targets	Strategic performance agreements with each ETB	Deliver against strategic performance agreement targets and priorities
Funding	Issues annual funding requirements and funding allocations	Develop budgets and allocate resources across programmes
Planning	Reviews FET section of the ETBs' annual service plans	Develop annual service plans including FET provision
Needs analysis	Uses national learner, programme, and labour market data	Identify local learner, employer, and regional labour market needs
Financial reporting and monitoring	Conducts mid-year, Q3, and year-end financial reviews	Report on delivery and adjust provision where required
Governance and oversight	Provides oversight of FET funding and performance	Programme decisions approved through ETB senior management and board governance
Flexibility	Monitors system-wide trends and adjusts priorities over time	Can amend provision during the year in response to emerging demand

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

- 28.42** Critical skills needs are identified through national and regional labour market analysis, including skills needs assessments, employer engagement, and evidence from bodies such as the Skills and Labour Market Research Unit in SOLAS and the Regional Skills Fora. This intelligence highlights sectors and occupations experiencing skills shortages and informs priority areas for programme expansion.
- 28.43** Sectoral priorities (e.g. digital skills, green skills, construction and engineering) are important considerations in FET planning and programme provision.
- 28.44** In response to emerging green skills needs, SOLAS published the first national FET strategy for the green transition in October 2024.¹⁸ It provides workers in carbon-heavy or vulnerable industries with the pathways to pivot, reskill, or upskill into secure, long-term green jobs e.g. teaching traditional plumbers to install heat pumps, or car mechanics to work on electric vehicles.

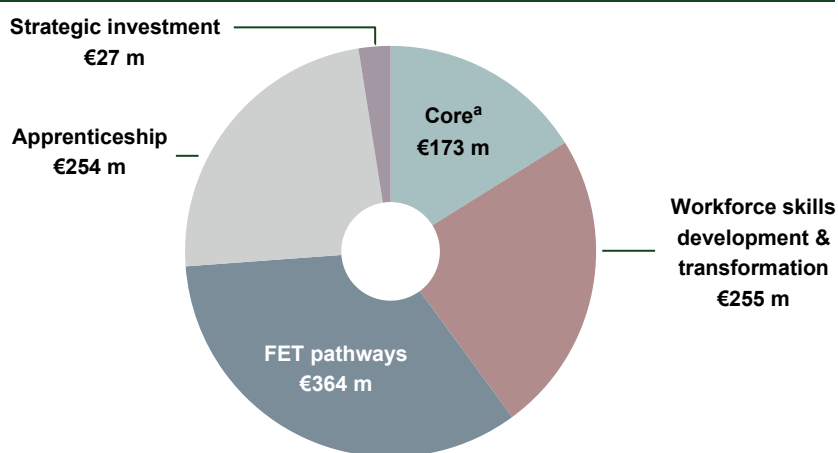
¹⁸ [green skills 2030](#). *The 1st National Further Education & Training (FET) Strategy for the Green Transition*, October 2024.

- 28.45** SOLAS introduces targeted programmes aligned to emerging needs. For example, a new programme of micro-qualifications was launched in 2024 providing short, subsidised upskilling courses under the *Skills to Advance* initiative. The qualifications are offered in high-demand emerging disciplines such as digital skills, green skills, advanced manufacturing and climate literacy.
- 28.46** There is also evidence that FET provision is responding to labour shortages in construction. For example, programmes have been expanded in the areas of retrofitting, modern methods of construction and sustainable building technologies.
- 28.47** Decisions to expand capacity in apprenticeship programmes were made in 2024 based on a system-wide review of apprenticeship capacity including the 2024 apprenticeship waitlist, 2025 demand projections and existing or pipeline provision. This review identified likely capacity shortfalls across a number of apprenticeship programmes.¹⁹
- 28.48** Following the review, SOLAS invited ETBs to submit proposals for additional workshop capacity in identified high-demand programmes. Four projects were subsequently approved by SOLAS, of which two are currently progressing. SOLAS stated that the two projects are expected to increase apprenticeship training capacity by 28 places in plumbing and 24 places in heavy vehicle mechanic.

Allocation of funding

- 28.49** SOLAS allocates funding to individual ETBs across broad funding 'pots' and programme categories with the expectation that ETBs will then distribute funding according to local priorities and operational requirements (see Annex 28A).
- 28.50** For 2025, a total of just over €1.07 billion was allocated to ETBs across five funding pots. The largest (€364 million in 2025) relates to FET pathways which supports a broad range of initiatives including the *Vocational Training Opportunities Scheme* as well as programmes across youth provision, community education and adult literacy (see Figure 28.6).

Figure 28.6 Further education and training funding pots allocations, 2025



¹⁹ The programme areas identified were plumbing, refrigeration and air conditioning, mechanical automation and maintenance fitting, construction plant and heavy vehicle mechanic.

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

Note: a Provides for support costs associated with the delivery of the programme categories.

- 28.51** SOLAS stated that funding allocations to programme areas are informed by approved learner numbers, historical delivery levels, baseline funding arrangements, programme duration and unit costs, alongside national policy priorities and funding conditions.²⁰
- 28.52** Within each ETB, funding decisions are shaped by learner demand, waiting lists, labour market needs, employer engagement, staffing capacity and commitments contained in ETB Service Plans.²¹
- 28.53** However, there is no clearly defined or transparent allocation model with explicit weighting criteria. This may limit consistency and comparability across ETBs and reduce visibility regarding how competing priorities are balanced in practice.
- 28.54** The ETBs interviewed by the examination team stated that funding allocations remain heavily influenced by historical baselines and centrally determined priorities, with limited local flexibility in practice despite the introduction of the 'five pots' funding structure. The reliance on baseline funding patterns could risk perpetuating existing funding patterns rather than responding dynamically to emerging skills needs.
- 28.55** Although programme-level data is collected through PLSS and a separate IT system for apprenticeships, this data is primarily used for monitoring and oversight rather than to inform funding allocations to ETBs.
- 28.56** SOLAS does not apply a direct regional or demographic allocation method when distributing FET funding. Funding is not apportioned based on population size, regional demographics, or deprivation indices. Instead, regional needs and demographic factors are taken into account indirectly by ETBs. However, population projections are used to identify learner demand and inform planning, which may in turn influence funding allocation and programme provision.

20 Certain funding streams may be ring-fenced for specific initiatives (e.g. English for Speakers of Other Languages, or Reach programmes) requiring separate allocation and reporting arrangements.

21 ETB FET Service Plans are annual or multi-annual planning documents prepared by ETBs for their FET services. They explain what FET programmes an ETB will deliver, who those programmes are aimed at, what priorities and targets the ETB has, how funding and resources will be used, and how outcomes will be monitored and evaluated.

22 [Further Education and Training Funding Model Review](#), June 2022.

FET funding model review

- 28.57** A major reform of the FET funding model in 2022 introduced a more outcome-based and flexible system.²² The idea was that funding would no longer be rigidly tied to pre-planned course numbers but would increasingly be linked to learner demand, outcomes and system performance. The intention is that funding can adjust over time in response to demand and activity levels.
- 28.58** The review made eight recommendations aimed at improving the effectiveness, transparency, and sustainability of the funding approach. As at end June 2026, none of the recommendations had been fully implemented (see Figure 28.7).
- 28.59** Following the funding model review, five funding pots and new programme categories were established and mapped to ETB funding templates. However, the ETBs interviewed by the examination team stated that they are still effectively operating parallel (i.e. legacy and new) systems, resulting in duplication and complexity.

Figure 28.7 2022 FET funding model review: status of recommendations

Recommendation	Implementation status, June 2026
Advance to a streamlined funding structure with ETBs funded through five discrete pots thereby enabling greater autonomy and flexibility.	 While the five pots have been introduced, ETBs use both existing and new models, indicating that the transition is ongoing.
Shared definitions for use of the funding model with associated targets should be agreed by SOLAS and the FET sector and enshrined in the strategic performance agreements (SPAs).	 Work is progressing on developing new targets and definitions linked to the next round of SPAs.
Weightings should be used to account for variations in resource intensity, cost, and strategic initiative.	 Cannot progress until all ETBs are on a standard chart of accounts.
Intelligent, data-driven reporting and monitoring through use of PLSS will be the foundation of the new funding model. Funding will be allocated based on accurate PLSS data input and analysis.	 Work is progressing on improving learner data forms and mapping PLSS data to financial data.
Outcomes-based funding should be applied based on numbers of learner completions in the previous year. FET provision and funding will be driven by learner demand and socio-economic need.	 While workforce development and transformation funding in 2025 was linked to “outcome growth and budget management criteria” there is no indication of full implementation across the funding model.
Bespoke funding solutions will be put in place that recognise the unique character of FET, including for apprenticeship and Youthreach provision, with quantitative and qualitative measures in place to ensure focus on outcomes and impact.	 Separate programme categories and funding arrangements for apprenticeship and Youthreach provision are reflected in the programme mapping, but there is no indication of full implementation of all bespoke measures and outcome frameworks.
Strategic, multi-annual planning will support the new funding approach, agreed and delivered through the SPAs.	 In development.
Programme harmonisation across all FET provision with a focus on agile course development which can respond to regional needs, alongside more consolidated branding of courses in line with the Future FET strategy.	 Some programme harmonisation work has been completed through mapping legacy programmes into the new programme categories.
 Implemented  Partially complete  Not implemented	

Source: SOLAS and ETBs. Analysis by the Office of the Comptroller and Auditor General.

Performance agreements

- 28.60** The most recent strategic performance agreements (SPAs) between SOLAS and each of the 16 ETBs relate to the period 2022 – 2024.²³ As a result, there is no current overarching performance agreement in place setting out agreed strategic priorities, targets, and performance expectations for the sector. This may limit the ability to assess current performance against nationally agreed objectives and to monitor progress within a clearly defined strategic framework.
- 28.61** SOLAS stated that performance agreements were not put in place during 2025 because a new FET strategy was under development. Pending finalisation of the strategy, SOLAS requested ETBs to continue operating within established funding and reporting arrangements. Since publication of the new FET strategy in May 2026, work has been ongoing to develop a new suite of strategic performance measures, targets and definitions to support future performance agreements. SOLAS expects that new performance agreements will be in place by the end of 2026.

Learner and outcome data

- 28.62** Little progress has been made in mapping PLSS and financial data and improving learner data collection. Individual ETBs reported operational issues including disconnected systems, inability to generate reliable reports, duplicate systems, spreadsheet dependence and lack of integrated data infrastructure.
- 28.63** The selected ETBs interviewed by the examination team stated that, while the revised funding model represented a welcome improvement on previous arrangements, implementation remains incomplete and several operational challenges persist. The ETBs indicated that reliable learner and completion data remains difficult to extract and that existing systems are not yet fully capable of supporting outcomes-based funding. They also highlighted continuing uncertainty relating to approvals, staffing sanction delays and administrative requirements, with multiple reporting routes and legacy programme structures continuing to affect long-term planning capability and increased operational complexity.
- 28.64** Overall, the evidence gathered indicates that implementation of the 2022 funding model review recommendations remains incomplete. While elements of the revised model, particularly the five-funding-pots structure, have been introduced, the selected ETBs reported that many of the wider strategic objectives of the review — including outcomes-based funding, multi-annual planning, integrated systems and simplified reporting — have not yet been fully realised.

23 An SPA is a formal agreement between SOLAS and each ETB that sets out the key strategic priorities, targets and performance expectations for the education and training sector over a defined period. The agreement is intended to align national policy objectives with ETB activities and provides a framework for monitoring performance, accountability, and delivery of agreed outcomes. See [2022 – 2024 strategic performance agreements](#).

24 [Adult literacy for life](#) is a ten-year adult literacy, numeracy and digital literacy strategy; [green skills 2030](#) is the first National Further Education and Training (FET) Strategy for the Green Transition; [Action Plan for Apprenticeship 2021–2025](#).

25 The current (and third) [FET strategy 2026 – 2030](#) was launched in May 2026.

Funding decisions and national strategies

- 28.65** Decisions to expand capacity must align with the FET strategy and other relevant national strategies e.g. Adult Literacy for Life, Green Skills 2030, Action Plan for Apprenticeships.²⁴ National strategic objectives are intended to be translated into specific ETB priorities and targets through SPAs, which set expected outcomes and performance measures linked to the current FET strategy.²⁵
- 28.66** Alignment is monitored through performance management arrangements, including live dashboards, annual performance reports in relation to the SPAs, and financial reviews carried out at mid-year, end-September and year-end.

- 28.67** SOLAS notes that it is currently developing an input-output-outcome framework to better demonstrate how funding translates into outputs and strategic outcomes. Although funding decisions are informed by national strategy objectives, the measurement of the direct impact of funding on strategic outcomes is not yet fully mature.

Funding decisions and learner demand

- 28.68** Learner data is collected and tracked on the PLSS for FET provision. There is also a separate IT system specifically for apprenticeships. These systems capture the number and type of courses delivered, learner enrolments and participation, and completions and certifications.
- 28.69** Learner demand data is used by SOLAS to inform and support FET funding decisions, rather than as a direct formula-based determinant of funding allocations.
- 28.70** Learner demand and programme performance are considered in decisions relating to course continuation, expansion or closure. However, the selected ETBs expressed the view that funding allocations remain largely historically based; and they highlighted limitations in data systems, fragmented reporting arrangements and the absence of integrated financial and learner data.

Funding decisions and completion outcomes

- 28.71** SOLAS and the ETBs listed programme performance, learner outcomes and progression as factors considered when reviewing provision and making decisions regarding continuation, consolidation or discontinuation of programmes.
- 28.72** To assess programme performance, ETBs use metrics such as course completion rates, certification outcomes, learner progression into employment, recruitment levels, strategic relevance and value for money. The selected ETBs provided the examination team with examples where underperforming or low-demand courses were amended or discontinued.
- 28.73** However, because the underlying learner data system is not integrated with the financial system, expenditure data cannot easily be linked to learner outcomes or completion data at programme or course level. The ETBs stated that producing course-level cost data would require substantial manual extraction.

Funding decisions and emerging skills gaps

- 28.74** SOLAS uses a combination of labour market intelligence, specific skills research and data, bespoke reports and analysis and strategic planning documents to inform strategic direction and changes in FET funding.
- 28.75** The Skills and Labour Market Research Unit produces regular reports (e.g. the national skills bulletin, difficult-to-fill vacancies survey, and regional labour market profiles) which are referenced as informing strategic priorities and funding decisions. These reports identify emerging shortages, sectoral pressures and changing workforce demands, particularly in areas such as construction, healthcare, digital skills and green skills.

- 28.76** The 2022 review of the FET funding model recognised the need for targeted investment aligned with workforce demand and the ability to respond to labour market shocks, redundancies and sectoral change. The introduction of the new funding model indicates a structured attempt to direct funding toward identified skills needs.
- 28.77** However, the ETBs indicated that a significant proportion of funding is required to meet fixed costs or tied to pre-approved provision, limiting their ability to rapidly redirect resources towards emerging local or regional skills needs.
- 28.78** While SOLAS refers to performance agreements as a mechanism through which labour market priorities are monitored and adjusted over time, ETB evidence suggests weaknesses in this framework. For example, current-period agreements were either not in place or not operating as originally envisaged. In the absence of current or consistently applied agreements, there is reduced evidence of an active performance management mechanism linking funding decisions to evolving skills needs. SOLAS stated that separate to the agreements, ETBs continue to respond to local and regional skills needs and there is ongoing programme-specific reporting and engagement with ETBs throughout the year.
- 28.79** The selected ETBs also pointed to broader operational constraints that limit responsiveness. They described challenges associated with annual funding cycles, delays in funding approvals, staffing constraints and administrative rigidity, all of which reduce their ability to quickly introduce, expand or modify provision in response to emerging labour market demand.

How training is implemented and provided

Underperforming or high-cost programmes

- 28.80** SOLAS informed the examination team that it identifies and reviews programmes with low completion rates through a combination of system-wide performance reporting, cohort-based analysis including vulnerable learner groups, and targeted programme and provision reviews. These mechanisms are used collectively to understand performance issues, identify underlying causes, and inform actions at both system and programme level.
- 28.81** ETBs undertake local monitoring of provision through service planning processes and internal performance reviews. Underperforming programmes, identified through low enrolments, weak demand, or operational feedback, may be reviewed and in some cases altered. Actions taken can include
- reducing class size or intake
 - modifying course content or delivery mode
 - merging or restructuring provision
 - discontinuing the programme.
- 28.82** However, this process is not underpinned by a standardised national framework linking cost, delivery intensity and learner outcomes. Consequently, the potential to consistently identify and address inefficiencies across the system is limited.

- 28.83** The examination team was informed by the three selected ETBs that producing a comprehensive listing of all courses delivered, including associated course costs, learner registration and completion data, would be difficult and would require significant manual manipulation of data. This was attributed to limitations in the integration of learner data and financial systems, which do not currently interface in a manner that supports programme-level cost and performance analysis.

Course completion rates

- 28.84** Completion rates are primarily recorded through the PLSS and are measured by comparing the number of learners who complete or partially complete a course against the number originally enrolled.²⁶ ETBs stated that partial completion or non-completion does not necessarily indicate programme failure because

- learners may complete only the modules required to secure employment
- learners may leave programmes early after obtaining jobs
- some programmes are designed around modular or unit-based awards rather than full qualifications
- learner journey may extend across multiple years or programmes.

- 28.85** In 2024, just over 230,000 unique learners were enrolled in FET courses. Of those enrolments, around 181,000 learners (79%) partially or fully completed their course(s). Of the 181,000 course completions, around 108,000 (60%) were certified completions i.e. certified by a recognised awarding body in the FET sector.²⁷

Completion rates and programme performance

- 28.86** Completion rates are used to an extent to monitor programme performance, but there is limited evidence that they are systematically or consistently used to drive funding decisions or resource allocations across the FET system.

- 28.87** ETBs monitor learner retention, completions and certification outcomes as part of their strategic dialogue and annual planning process. Completion rates appear to function primarily as a performance oversight and accountability measure rather than as a direct funding determinant.

- 28.88** Cost data is not yet consistently available in a form that fully supports systematic performance assessment of funding decisions at programme level. This reflects the complexity of attributing shared and overhead costs (e.g. accommodation, utilities, staff and other centrally incurred costs) across individual programmes, as well as the current limitations in integrating financial and learner data systems.

- 28.89** While one ETB was able to provide cost-per-learner information for specific provision, this level of analysis is not yet consistently available across all programme areas.

²⁶ Full completion refers to learners who have completed 90% or more of the course and its requirements. Partial completion is where a learner has completed more than 25% but less than 90% of the course and its requirements.

²⁷ For more information on a national overview of FET learner participation and outcomes, see [This is FET Facts and Figures 2024](#) periodic report.

Conclusions and recommendations

- 28.90** The FET system has expanded significantly in recent years and is supported by a range of national strategies and labour market analysis intended to align provision with learner demand and workforce skills needs.

Demand for FET

- 28.91** Significant structures and analytical mechanisms are in place to identify current and projected future demand for FET. The analysis consistently identifies persistent workforce shortages in construction, engineering, healthcare, digital and AI-related occupations, and green skills. FET provision has expanded significantly in response to these priorities, including through increased apprenticeship capacity. However, continued capacity pressures, apprenticeship waiting lists and difficult-to-fill vacancies indicate that skills shortages persist in certain sectors. This reflects a range of factors across the wider education, training and employment system and cannot be attributed to FET provision alone.

Supply of FET

- 28.92** FET provision is structured around a combination of national strategic direction from SOLAS and local planning by ETBs. SOLAS and ETBs engage with employers, regional stakeholders and labour market intelligence to inform programme development and capacity decisions.
- 28.93** The FET system has demonstrated an ability to expand provision in areas of identified demand, particularly through apprenticeships, green skills initiatives, micro-qualifications and online learning. However, the evidence also indicates that system responsiveness is constrained by operational and structural limitations. Individual ETBs highlighted challenges relating to staffing approvals, annual funding cycles, infrastructure capacity and limited flexibility to rapidly redirect resources or introduce new provision in response to emerging regional skills needs.
- 28.94** In practice, programme expansion appears to occur incrementally over several years rather than through rapid adjustment mechanisms. Existing provision continues to be influenced by historical programme structures, legacy arrangements and fixed staffing models. Accordingly, while the system demonstrates clear strategic intent to align supply with labour market demand, the evidence suggests that the practical capacity to rapidly adapt provision remains constrained.

Funding model review

- 28.95** SOLAS considers a range of factors when allocating funding across the FET system, including learner demand, programme activity, strategic priorities, labour market intelligence and historical delivery patterns. The introduction of the five funding pots and other initiatives arising from the 2022 FET funding model review aimed to create a more flexible, outcome-oriented and strategically aligned funding structure. However, implementation of the wider reform programme appears incomplete.

Recommendation 28.1

SOLAS should fully implement the outstanding recommendations from the 2022 review, including outcome-based funding arrangements, simplified reporting structures and multi-annual planning mechanisms.

SOLAS response

Agreed.

SOLAS is currently reviewing the scope of work required to support the implementation of the recommendations of the funding model review including the timeline. The priorities to end 2026 are to establish a project governance structure and prepare a project initiation document in consultation with stakeholders. Full-time resources are being assigned to undertake the review and support implementation of agreed changes.

Timeline for implementation

SOLAS has committed to providing a progress update at the end of 2026, along with a planned work programme for the first half of 2027.

- 28.96** The selected ETBs reported that funding allocations continue to be greatly influenced by historical baselines and centrally determined priorities rather than through a transparent, formula-based or fully outcome-driven model. Although learner demand, programme performance and labour market intelligence are considered in planning discussions, the evidence does not demonstrate that these factors are systematically weighted or directly linked to funding decisions. In addition, the failure to update strategic performance agreements, along with fragmented reporting arrangements and the continued operation of parallel legacy systems limit transparency, consistency and accountability across the sector.

Recommendation 28.2

SOLAS should put in place updated strategic performance agreements with the ETBs to provide clear sector-wide performance expectations and accountability arrangements. The agreements should set out clear targets, standardised definitions and measurable outcomes aligned to national FET priorities.

SOLAS response

Agreed.

Draft performance agreements are currently being discussed with ETBs with a view to their finalisation by the end of 2026.

Timeline for implementation

End of 2026.

- 28.97** Learner and financial data do not appear to be sufficiently integrated to support robust programme-level funding analysis or reliable assessment of value for money.

- 28.98** ETBs reported ongoing operational difficulties including disconnected systems, manual reporting processes, delayed approvals and administrative complexity. Consequently, while the funding model is intended to support flexibility and responsiveness to emerging skills needs, the evidence suggests that operational implementation of the model has not been achieved and that funding decisions continue to be constrained by historical structures and system limitations.

Delivery of FET

- 28.99** Mechanisms exist within the FET system to monitor programme performance, learner completions and underperforming provision. ETBs undertake local reviews of programmes based on enrolments, learner demand, completion outcomes and operational feedback. Examples were provided to the examination team where FET provision had been amended, consolidated or discontinued. Completion rates are recorded primarily through the PLSS and are used as part of oversight, accountability and planning processes.

- 28.100** However, the examination team identified limitations in the ability to assess programme performance, efficiency and value for money in a systematic manner. Financial systems and learner data systems are not integrated in a way that allows expenditure to be linked directly to programme outcomes, completion rates or learner progression.

- 28.101** While completion rates and learner outcomes are considered in programme oversight discussions, the evidence does not demonstrate the existence of a mature performance-based delivery or funding framework. Programme continuation and resource allocation decisions appear to remain primarily informed by historical provision, strategic priorities and operational considerations rather than integrated performance-cost analysis. Consequently, although underperforming provision may be identified and addressed in some cases, the absence of robust integrated data systems limits the ability of the FET system to systematically evaluate efficiency, effectiveness and return on investment across programmes.

Recommendation 28.3

SOLAS should consider the development of integrated learner, financial and programme data systems to enable programme-level analysis of costs, completions, learner outcomes and value for money.

SOLAS response

Agreed.

Requirements for changes to financial and other systems will be considered in the context of the FET funding review project referred to in the response to recommendation 1.1.

Timeline for implementation

SOLAS has committed to providing a progress update at the end of 2026, along with a planned work programme for the first half of 2027.

Annex 28A SOLAS funding programme mapping

Funding pots	New programme category	Legacy programmes and sub-programmes
Core funding	Learner support and guidance, buildings, quality/certification, other central supports	Funding to drive an effective strategic hub. Support costs associated with the delivery of the programme categories
Funding for workforce skills development/transformation	Learning for employment progression	- Post-Leaving Certificate - Post-Leaving Certificate — pathways to apprenticeship - Traineeship - Specific skills training - Tertiary
	Learning in employment	Skills to Advance
Funding for FET pathways	Pathways	- Bridging and foundation training - VTOS core - Specialist training providers - Local training initiatives - Back to Education Initiative groups - FET co-operation hours
	Youth provision	- Youthreach - Community training centres - FET pathways from school
	Community education	Community education
	Adult literacy for life	- Literacy (including voluntary literacy, DEIS family literacy, core skills) - English for Speakers of Other Languages/ refugee programmes - Skills to Work
Apprenticeship funding	Apprenticeship	2016+ FET apprenticeships^a - Craft apprenticeships
Strategic investment funding	Discretionary/Other	- Reach funding - Skills to Advance innovation projects - Specialist skills development - ETB strategic initiatives - Climate action initiatives - Self-financing courses

Source: SOLAS

Note: a 2016+ apprenticeships (also called consortia-led apprenticeships) were introduced in 2016 under the national apprenticeship expansion. They were designed to introduce the apprenticeship model to new occupations and are more flexible in design and qualification level.

