



**National Audit Office's report to Parliament
on the monitoring of election funding
in the 2012 municipal elections**

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To Parliament

The National Audit Office has overseen compliance with the provisions of the Act on a Candidate's Election Funding (273/2009) regarding election funding and the obligation to disclose campaign costs as prescribed in the Act in the 2012 municipal elections.

On the basis of section 10(3) of the Act on a Candidate's Election Funding, the National Audit Office issues an election-specific report to Parliament on the election funding disclosures received and its activities in enforcing compliance with the disclosure obligation (election funding supervision report).

Helsinki, 28 June 2013

Auditor General

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Main content

All of those, except for three persons, required to file an election funding disclosure in the 2012 municipal elections filed an election funding disclosure as prescribed in the Act on a Candidate's Election Funding. Under the Act, liability for the accuracy of the disclosure always rests with the discloser.

Following disclosure processing, reports and provision of supplementary information, the National Audit Office has received no such indication that gives reason to doubt the accuracy of the disclosures received, excluding one election funding disclosure.

A total of 2,894 disclosers had failed to file their disclosure by the deadline set in the Act on a Candidate's Election Funding.

In all 1,664 disclosers were requested to file their disclosure without delay. The first reminder resulted in the filing of 1,237 disclosures to the National Audit Office. A second reminder was sent to those disclosers who still had not filed their disclosure, with the number of those receiving a second reminder totalling 427.

It was apparent after the two reminders that some of those obliged to file a disclosure under the Act on a Candidate's Election Funding fail to file the disclosure to the National Audit Office in the manner referred to in the Act regardless of having received reminders. The process was taken further into the procedure in accordance with the Act on Penalty Payments (1113/1990).

Prior to the imposition of a penalty payment, the disclosers were to be provided with the opportunity to provide an explanation (hearing of the party). A notice concerning the procedural phase relating to a penalty payment and the opportunity to provide an

explanation was delivered to a total of 191 persons under the obligation to file a disclosure. The notices were delivered via process servers.

Following the notices delivered by process servers, the National Audit Office received a total of 157 election funding disclosures.

The National Audit Office obliged a total of 34 disclosers to file their election funding disclosure on pain of paying a penalty payment. Of these, three are yet to file their disclosure to the National Audit Office.

The National Audit Office has made efforts to make the election funding supervision system as guiding as possible. In practice this has meant that, in addition to the provision of guidelines, the advisory service has replied to all questions relating to election funding and filing of election funding disclosures. During the period from the beginning of the municipal election campaign period until the end of April 2013, the telephone helpline maintained by the National Audit Office replied to a total of around 840 inquiries concerning election funding. In addition to these, responses were given by email to around 790 inquiries relating to election funding. The number of actual election funding disclosures received on paper and filed into the National Audit Office's system totalled 6,158. Supplementary information relating to a disclosure was provided in 310 cases.

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1 Legislation applied in election funding disclosures and the monitoring of election funding in the 2012 municipal elections

1.1 General content of the Act on a Candidate's Election Funding (273/2009)

The Act on a Candidate's Election Funding (273/2009) was applied for the first time in 2012 in nationwide municipal elections. The Act applied in the 2012 municipal elections contained amendments to sections 3(4) as well as subsections of sections 4, 6 and 12 and a new section 11a that was added according to separate legislation (684/2010). These amendments and their effects on the content of election funding disclosures will be discussed later.

The purpose of the Act is to increase the transparency of election funding and to provide information on the candidates' potential ties to third parties.

The Act contains provisions that regulate the financing of political activities. According to the statement of reasons for the Act, the key objective of such regulation is to prevent corruption and ensure sufficient resources for the functioning of the political system. This promotes democracy and confidence in democracy. According to the Parliamentary Constitutional Law Committee, open and fair elections are the cornerstone of well-functioning western democracy. In the Committee's view, a key element of openness is for voters to be able to know the sources of significant funding received by political parties or other

persuasions nominating candidates for their campaigns as strong financial dependence on a single financer can create suspicions of a financer's intentions to improperly influence the policies of an entity nominating candidates (Constitutional Law Committee report 2/2009). The disclosure obligation increases the amount of public information concerning candidates' potential ties. It is also expected to curb the increase in candidates' campaign spending.

With the disclosure obligation prescribed in legislation, any breach of this obligation is a risk to candidates. When the Act on a Candidate's Election Funding was drafted, balance was sought between adequate regulation and resulting costs and drawbacks. Supervision relies on voters' ability to evaluate candidates correctly, provided they receive sufficient information about candidates' ties and commitments and issues such as commitments to ceilings on campaign spending. Election funding was not meant to take excessive attention from matters of substance, make it more difficult to recruit candidates or unnecessarily complicate fundraising. The Act on a Candidate's Election Funding does not include reporting obligations that could present a real obstacle to candidacy.

The objective of the Act on a Candidate's Election Funding was to clarify the content of the disclosure obligation. Considering the nature of political activity, it was not possible for the Act to foresee every situation that might arise in its application. The aim of the Act is a disclosure system that is comprehensive enough and at the same time can be complied

with without placing an excessive burden on candidates. To ensure candidates' legal protection and the comparability of disclosures, the aim was to make the disclosure system under the Act as clear as possible.

1.2 Those obliged to file an election funding disclosure in the 2012 municipal elections

Those obliged to file an election funding disclosure in the 2012 municipal elections were those persons who were elected as a municipal councillor or deputy councillor.

A total of 19,077 persons were elected as councillors or deputy councillors in the municipal elections. At the time of the submission of this report the number of those obliged to file a disclosure totalled 19,069.

1.3 Information required in election funding disclosures

The minimum information that must be provided in an election funding disclosure is prescribed in section 6 of the Act on a Candidate's Election Funding.

Election funding means the funding raised to cover the costs of the candidate's election campaign incurred over a period starting no earlier than six months before the election day and ending no later than two weeks after the election day irrespective of when such costs are paid. The election day in the municipal elections was 28 October 2012.

The candidates were to disclose their election campaign funding broken down, firstly, into the candidate's own funds and any loans taken out by the candidate for the campaign and, secondly, into campaign contributions received by the candidate, his or her support group or other entity operating exclusively for the purpose of promoting the candidate.

Campaign contributions were to be further grouped into support received by the candidate or his or her support group from the following:

- private individuals;
- companies;
- political parties;
- registered associations of political parties;
- other sources.

The itemisation of campaign contributions was further specified on the basis of an act (685/2010) amending the Act on a Candidate's Election Funding.

Campaign contributions received in the form of money, goods, services or other performances were to be disclosed as contributions. Ordinary voluntary work and ordinary

free services were not regarded as campaign contributions referred to in the Act. Any contributions made by purchasing identifiable goods or services also had to be disclosed.

Candidates were required to disclose their total election campaign costs. This includes all costs arising during the campaign the functional purpose of which is to promote the candidate's election and that the candidate can influence personally.

The campaign costs were to be itemised into election advertising in newspapers, free newspapers, periodicals, radio, television and data networks and other communications media; outdoor advertising; the production of self-published campaign newsletters, brochures and other printed matter; campaign planning; the organisation of rallies; and other expenditure.

Each individual campaign contribution and its donor had to be disclosed separately if the value of such contribution exceeded 800 euros. All campaign contributions received from the same donor were to be added up and reported as a single campaign contribution item.

The act (684/2010) amending the Act on a Candidate's Election Funding specified section 6 of the Act relating to municipal election funding disclosures. According to the amendment, candidates whose election funding in municipal elections is below 800 euros are not obliged to provide itemisations of campaign costs and information concerning campaign funding. They must, however, provide a written declaration that their election funding and, consequently, their campaign costs have not exceeded the 800 euro limit.

1.4 Limitations on election funding received by a candidate

Section 4 of the Act on a Candidate's Election Funding lays down provisions concerning limitations on election funding received by a candidate. These limitations were specified further under an amending act (684/2010).

No candidate, his or her support group or other entity operating exclusively for the purpose of promoting the candidate may accept any campaign contributions unless the donor can be identified. This, however, does not apply to campaign contributions received as a result of ordinary fundraising activities.

No candidate, his or her support group or other entity operating exclusively for the purpose of promoting the candidate may accept campaign contributions directly or indirectly from a single donor in excess of 3,000 euros in municipal elections. However, support from a political party or party association referred to in the Act on Political Parties (10/1969) may exceed this if it does not include a contribution in excess of the above amount passed on from another supporter.

A candidate, support group or other entity operating exclusively for the purpose of promoting the candidate may accept foreign campaign contributions only from private individuals and international associations and foundations representing the candidate's political orientation.

A candidate, support group or other entity operating exclusively for the purpose of promoting the candidate may not receive contributions from the state, a local authority, joint municipal authority, unincorporated state enterprise, municipally owned company, association, institution or foundation governed by public law, or company under state or municipal control as referred to in Chapter 1,

section 5 of the Accounting Act (1336/1997). This, however, does not apply to ordinary hospitality.

A candidate, support group or other entity operating exclusively for the purpose of promoting the candidate must make sure that a paid advertisement that is part of an election campaign or intended to support it shows the name of the person paying for the advertisement. The name of a private individual may not, however, be published without his or her express consent if the value of an advertisement paid for by him or her is smaller than 800 euros in municipal elections.

It should be pointed out that the provisions of section 4 of the Act on a Candidate's Election Funding concerning limitations on election funding do not fall within the sphere of the National Audit Office's supervision task. By supervising the accuracy of disclosures the National Audit Office nevertheless contributes to seeing that disclosures contain correct information in essential respects.

By influencing the accuracy of published disclosures the National Audit Office strives to ensure that the public can check compliance with the provisions of section 4 on the Act on a Candidate's Election Funding concerning limitations on election funding. Various reports have been created for the publishing system website so that the information in disclosures can be examined.

It should also be pointed out that provisions concerning limitations on election funding, including compliance with ceilings on contributions, fall within the sphere of political responsibility.

1.5 Obligations and responsibilities of actors specified in the Act on a Candidate's Election Funding

Disclosers

Those obliged to file a disclosure in the 2012 municipal elections comprised those elected as municipal councillors and deputy councillors. The disclosure was to be prepared and submitted to the National Audit Office within two months of the confirmation of the election results, i.e. by 31 December 2012.

Under the Act on a Candidate's Election Funding, liability for the accuracy of the disclosure rests with the discloser.

National Audit Office of Finland

The National Audit Office is tasked with the oversight of compliance with the disclosure obligation. The National Audit Office aims to make the supervision system as user-friendly and guiding as possible.

The National Audit Office approved the general guidelines for the filing of election funding disclosures for the 2012 municipal elections (43/40/2012) on 27 April 2012. It has also maintained a continuous advice service concerning matters relating to the Act on a Candidate's Election Funding.

The National Audit Office checks that all those obliged to do so have filed an election funding disclosure referred to in the Act on a Candidate's Election Funding. If a disclosure is found to contain errors or gaps, the National Audit Office can ask the discloser to prepare a new disclosure, supplement a disclosure or verify the accuracy or completeness of information. This can only be done in situations where it would otherwise not be

possible to complete supervision concerning the discloser in question.

The National Audit Office can impose a penalty payment if a discloser fails to file an election funding disclosure as specified in legislation or if a disclosure is found to contain manifest errors or gaps in essential points. A penalty can only be imposed for failing to file a disclosure altogether or for such errors or gaps that are manifest and concern essential points in a disclosure.

The National Audit Office can ask for any reports that may be necessary to verify the accuracy and completeness of the information in a disclosure.

The National Audit Office publishes the disclosures it receives without delay and maintains a register of election funding disclosures in which disclosures received are stored. Through the publishing system anyone can check the information in disclosures on a public data network.

The National Audit Office prepares a report to Parliament on the election funding disclosures it has received and its supervision of compliance with the disclosure obligation within eight months of the confirmation of election results. The report to Parliament concludes the National Audit Office's supervision task concerning the elections covered by the report. However, the National Audit Office continues its supervision task concerning any disclosers the supervision matter concerning which commenced prior to the submission of the report to Parliament.

Ministry of Justice

Under the Act on a Candidate's Election Funding, the Ministry of Justice provides the National Audit Office with information on the candidate register and, following the confirmation of election results, information

about those obliged to file a disclosure. For this purpose the Ministry of Justice establishes and maintains a national candidate register.

The Ministry of Justice is the highest electoral authority in the Government.

2 The supervision of election funding as a task carried out by the National Audit Office

2.1 Scope of supervision

Under the Act on a Candidate's Election Funding, the National Audit Office is tasked with the supervision of compliance with the disclosure obligation referred to and specified in greater detail in the Act. Under the Act, the scope of the supervision carried out by the National Audit Office in practice covers compliance with sections 5–8 of the Act. There is a focus in the supervision task on the oversight of compliance with the disclosure obligation. Supervision relating to other provisions laid down in the Act is not part of the National Audit Office's tasks. The National Audit Office is responsible for seeing that all those obliged to file an election funding disclosure under the Act do file such a disclosure. For example, the limitations on election funding referred to in section 4 of the Act do not come within the scope of the supervision carried out by the National Audit Office. Instead, they fall within the sphere of political responsibility.

Under the Act on a Candidate's Election Funding, the discloser is responsible for the content of his or her disclosure. The Act does not prescribe sanctions for errors in the content of a disclosure. A penalty payment can only be imposed in cases where the National Audit Office considers on the basis of its supervision that the disclosure obligation has not been fulfilled.

The National Audit Office does not have a statutory right to access other information for the supervision of election funding than information that is mentioned in the Act on a Candidate's Election Funding. A candidate's election funding in its various forms and the expenses covered by it do not fall within the National Audit Office's scope as laid down in the Act on the National Audit Office (676/2000) or the Act on the Right of the National Audit Office to Audit Certain Credit Transfers between Finland and the European Communities (353/1995).

2.2 The National Audit Office's measures in implementing the Act on a Candidate's Election Funding in the 2012 municipal elections

The National Audit Office approved general guidelines on the filing of election funding disclosures for the 2012 municipal elections on 27 April 2012. The guidelines are also available on the FINLEX Data Bank of legislative information and on the website maintained by the National Audit Office at www.vaalirahoitusvalvonta.fi. The guidelines were sent to all registered political parties and the central municipal election board of each municipality before the election. The advice service maintained by the National Audit Office was available throughout the election campaign until the completion of the report submitted to Parliament.

An advice section on issues relating to the interpretation of the Act on a Candidate's Election Funding was maintained on the website by the National Audit Office. Advice relating to the preparation of election funding disclosures was also provided by email. Questions and answers that were presumed to also be of more general importance as regards interpretation guidance were also published on the website. A simplified to-do list relating to the election funding disclosure was also enclosed with the guidelines sent to those obliged to file a disclosure.

The National Audit Office was prepared to receive advance disclosures as prescribed in section 11 of the Act on a Candidate's Election Funding immediately after the master list of candidates was drawn up.

The National Audit Office must keep the information available on a public data network for a period exceeding the electoral term in question by one year. Advance disclosures prepared by those other than persons obli-

ged to file a disclosure were removed from the publication within 30 days of the confirmation of the election results. All election funding disclosures and advance disclosures filed by those obliged to file a disclosure will be kept available to the public on the supervision website until 31 October 2017.

The information system maintained by the National Audit Office acts as a system for the receipt and publication of election funding disclosures as well as disclosures required under the Act on Political Parties. In the electronic disclosure filing system, disclosers can – following identification and filling in of an election funding disclosure – publish their own disclosure on the election funding supervision website, with all the disclosures being uniform in appearance. Disclosures submitted on paper are entered into the information system without delay at the National Audit Office. This way all election funding disclosures self-published by the disclosers or entered by the National Audit Office into the information system as well as any voluntary advance disclosures are published immediately in the register of disclosures located at www.vaalirahoitusvalvonta.fi.

The National Audit Office has made efforts to make the election funding supervision system as guiding as possible. In practice this has meant that, in addition to providing guidelines, the advisory service has replied to all questions relating to election funding and filing of election funding disclosures. During the period from the beginning of the municipal election campaign period until the end of April 2013, the telephone helpline maintained by the National Audit Office replied

to a total of around 840 inquiries concerning election funding. In addition to these, responses were given by email to around 790 inquiries relating to election funding.

It should also be noted that election funding disclosures could also be submitted on paper and in other manners. These disclo-

ures were entered into the disclosures system by staff at the National Audit Office. The number of election funding disclosure forms received on paper and entered into the system at the National Audit Office totalled 6,158.

2.3 Criteria used in the supervision of election funding disclosures in the municipal elections

The supervision measures carried out by the National Audit Office included the comparison of the information provided in disclosures with the information required under the Act on a Candidate's Election Funding. The main focus of supervision was, in accordance with the Act, on the formal correctness of the disclosure process and disclosures. It was also ensured that disclosers provided statements on all the essential points mentioned in the Act on a Candidate's Election Funding and the Act on the Disclosure of a Candidate's Election Funding in their disclosures. Therefore the supervision of election funding disclosures focused mainly on the formal accuracy of disclosures.

In its supervision of election funding disclosures in the municipal elections, the National Audit Office checked whether or not the following took place:

- 1 All those obliged to file an election funding disclosure did so.
- 2 Election funding disclosures were filed by the deadline prescribed in section 8(1) of the Act on a Candidate's Election Funding. Disclosures must be submitted to the National Audit Office within two months of confirmation of the election results.
- 3 Election funding disclosures were filed by the correct persons. Disclosures received via the electronic service could only be submitted following electronic identification. Disclosures received on paper were entered into the system at the National Audit Office following sufficient verification of the submitter's identity. Once a disclosure

is entered into the system, the discloser is regarded as identified and the disclosure as submitted by the correct person.

The National Audit Office also checked whether or not the following formal requirements were met for each disclosure:

- 1 The disclosure contained the candidate's full name, title, profession or post, the name of the nominating party or a statement indicating that the candidate was nominated by a constituency association.
- 2 The discloser had submitted a written declaration that their election funding did not exceed 800 euros. If the discloser's election funding was at least 800 euros, they were to file a full election funding disclosure.
- 3 In a full election funding disclosure the total campaign costs were provided. The campaign costs were itemised into election advertising in newspapers, free newspapers, periodicals, radio, television and data networks and other communications media; outdoor advertising; the production of self-published campaign newsletters, brochures and other printed matter; campaign planning; the organisation of rallies; and other expenditure.
- 4 In a full election funding disclosure the total election funding was presented, broken down into the candidate's own funds and all campaign contributions received by the candidate, his or

her support group or other entity operating exclusively for the purpose of promoting the candidate, grouped into contributions received from private individuals, companies, political parties, party associations and other sources.

- 5 The discloser was required to state whether their election funding included individual donations amounting to 800 euros or more, in which case the name of the donor had to be given.

6 Election funding covered campaign expenditure.

- 7 Disclosures did not contain material calculation errors or other technical errors.

In addition to these, the National Audit Office collected information about candidates' election funding from public sources and compared this information with the election funding disclosures received

2.4 Restrictions on supervision powers

In the 2012 municipal elections the National Audit Office could request from disclosers, at its discretion as part of its supervision task, additional information and reports in order to check the accuracy and completeness of disclosures. The obligation to provide information, however, only applied to disclosers. The National Audit Office does not have the right to request reports or additional information from third parties in order to verify the accuracy of a disclosure. This being the case, the National Audit Office does not in practice have the right to ask for or collect comparative information in order to check the accuracy of disclosures. This is an essential restriction from the viewpoint of supervision and the interpretation of its results.

Disclosers are not under an accounting obligation as regards their election campaign expenditure and funding. Nor do disclosers have an obligation to keep notes of election campaign expenditure or funding. The National Audit Office does not have the right to audit or otherwise examine the internal control of election campaign expenditure and funding arranged by a discloser or procedures that concern a discloser's activities and administrative arrangements relating to election funding.

Detection of material content errors in the disclosure obligation is the key challenge of election funding supervision. The detection of errors and deviations may be facilitated by complaints. Complaints should be taken into consideration in supervision, but they must not be allowed to direct the supervision task in a manner compromising the objectivity and independence of supervision. The content of complaints may be affected by a

conflict of interests between the complainant and the candidate complained against or so-called political reasons. It should also be noted that the National Audit Office's supervision task ends once the report to Parliament has been submitted. Following this, the disclosers are not under any obligation to provide the National Audit Office with additional information or reports that might be called for by complaints.

Disclosers can be expected to make mistakes in interpreting the Act on a Candidate's Election Funding and the guidelines provided as well as ordinary human errors. These can also include errors in evaluating the value of contributions received in some other form than money. A discloser may receive incorrect information from a donor regarding the value of a contribution and include this incorrect information in a disclosure. Consequently it is possible that the information supplied in election disclosures is not entirely accurate.

3 Disclosures received by the National Audit Office and measures to supervise compliance with the disclosure obligation

3.1 Advance disclosures

In the municipal elections advance disclosures as referred to in section 11 of the Act on a Candidate's Election Funding were to be submitted to the National Audit Office by 27 October 2012. A total of 5,008 municipal election candidates submitted an advance disclosure of election campaign expenditure and funding by the deadline. The number of candidates in the 2012 municipal elections totalled 37,125. All the advance disclosures that were submitted by the deadline were published immediately.

Under section 12(2) of the Act on a Candidate's Election Funding, advance disclosures filed by persons other than those obliged to file a disclosure were removed from the publication within 30 days from the confirmation of the election results. Advance disclosures filed by those under the disclosure obligation will be kept available to the public in a public

data network for a period of five years from the confirmation of the election results, i.e. until 31 October 2017. A total of 2,288 of those obliged to file a disclosure submitted an advance disclosure of their election funding before the election day.

This accounts for around 13% of the total number of candidates. By comparison, in the 2011 parliamentary elections an advance disclosure was filed by around 40% and in the 2009 European Parliament elections by around 32% of the candidates.

In all 108 of the advance disclosures submitted to the National Audit Office were submitted on paper, while the rest were filed via the electronic online service. It can be said that those filing an advance disclosure used the electronic filing procedure to a very good level.

3.2 Election funding disclosures filed by the deadline

The guidelines prepared by the National Audit Office were delivered personally to all those obliged to file an election funding disclosure. The objective of the guidelines was to ensure that disclosures prepared and filed to the National Audit Office are prepared in compliance with the Act on a Candidate's Election Funding.

In all 16,175 of those obliged to file an election funding disclosure filed their disclosure by the 31 December 2012 deadline as prescribed in the Act on a Candidate's Election

Funding. This means around 85% of the disclosers submitted their election funding disclosure by the deadline set by the Act, while a total of 2,894 persons failed to meet the deadline set. It should be noted that 8 persons obliged to file an election disclosure have passed away after the municipal elections.

Another 1,230 election funding disclosures were filed immediately following the deadline and before the sending of the first reminder on 11 January 2013.

3.3 Measures taken to receive the missing election funding disclosures

The first reminder was sent to those disclosers who had not filed their disclosure on 11 January 2013. Those not having filed their election funding disclosure included persons whose address was not known by the National Audit Office on the above date. Their addresses were obtained and they were sent the first reminder on 4 February 2013.

In all 1,664 disclosers were requested to file their disclosure without delay. The first reminder resulted in the filing of 1,237 disclosures to the National Audit Office. This means that, following the first reminder, around 75% of the missing disclosures were submitted to the National Audit Office.

The second reminder was sent to those who still had not filed their disclosure by 18 February 2013 or 25 February 2013. The number of these reminders totalled 427. The second reminder was sent using an advice of delivery service. It should be pointed out that the advice of delivery procedure did not in practice prove to work well as a total of 129 of those sent the reminder did not collect the letter.

The second reminder resulted in the filing of 236 election funding disclosures to the National Audit Office. This means that, following the second reminder, around 55% of the missing disclosures were submitted to the National Audit Office.

It was apparent after the two reminders that those in question obliged to file a disclosure under the Act on a Candidate's Election Funding fail to file the disclosure to the National Audit Office in the manner referred to in the Act regardless of having received reminders. In this respect the situation was regarded as fulfilling the conditions of section 10(2) of the Act on a Candidate's Election Funding for requiring the disclosers to file

the disclosure on pain of a penalty payment. The process was taken further into the procedure in accordance with the Act on Penalty Payments (1113/1990).

Prior to the imposition of a penalty payment, the disclosers were to be provided with the opportunity to provide an explanation (hearing of the party). A notice concerning the procedural phase relating to a penalty payment and the opportunity to provide an explanation was submitted to a total of 191 persons under the obligation to file a disclosure. The notices were delivered via process servers. It should be stated that 9 persons were not found at all by the process servers, and they were subsequently delivered the notice by post.

Following notices delivered by process servers, the National Audit Office received a total of 157 election funding disclosures. This means the notices relating to the commencement of the penalty payment procedure resulted in the submission of around 82% of the missing disclosures to the National Audit Office.

The National Audit Office obliged a total of 34 disclosers to file their election funding disclosure on pain of paying a penalty payment. The decision concerning the imposition of a penalty payment stated that the disclosure had to be submitted no later than by 15 May 2013. As 4 disclosers were not found by the process server in a manner enabling the service of the decision to impose a penalty payment, the penalty payment procedure concerning these persons had to be reopened.

At the time of submission of this report, the election funding disclosure was yet to be filed by Jani Björn (Sipoo), Abdullah Coscun (Kaarina) and Anja Hämäläinen (Hirvensalmi).

3.4 Supplementation of and requests for reports regarding election funding disclosures

In conjunction with the processing of election funding disclosures in the municipal elections, it was examined whether the disclosures submitted to the National Audit Office contained the information required by section 6 of the Act on a Candidate's Election Funding. The objective of this was to ensure the content of the disclosures was consistent and provided clear statements concerning the issues required by the Act. Error-preventing controls that guided the submission of the election funding disclosure had also been incorporated into the electronic disclosure filing system.

Supplementary information was provided in 310 cases. Corrections were mainly to do with shortcomings in the itemisation of costs or funding. Disclosers were contacted directly by phone or email to obtain the supplementary or additional information needed. There was no need to provide any separate written reminders or requests for reports in this respect.

A written request for a report referred to in section 8 of the Act on a Candidate's Election Funding was sent in an individual case. In this case the discloser did not provide the report requested by the deadline set to verify the accuracy of the disclosure. It should be stated that, under the Act on a Candidate's Election Funding, the National Audit Office does not have access to any methods of enforcement should a discloser refuse to provide the reports requested to the National Audit Office. Situations where a discloser fails to provide the National Audit Office with reports to verify the accuracy of their disclosure regardless of requests made have not occurred in previous elections.

At the time of the submission of this report the supplementation of a disclosure is yet to be completed regarding one discloser.

3.5 Complaints concerning election funding disclosures

The National Audit Office did not receive any complaints concerning election funding disclosures for the 2012 municipal elections.

3.6 General observations concerning election funding disclosures

In the 2012 municipal elections those obliged to file a disclosure had for the first time the opportunity to provide a written declaration that their election funding had not exceeded the 800 euro limit. Around 15,020 disclosers or around 79% utilised this opportunity. Disclosers could still, however, also choose to provide more detailed information about their campaign costs and funding. Even if a discloser's election funding had not exceeded 800 euros, they could opt for the submission of a detailed election funding disclosure, with more than 1,600 disclosers taking this option. In many cases the reason for this was the desire to disclose their actual election campaign costs, which had been considerably lower than 800 euros.

The largest election campaign in the 2012 municipal elections was 34,887 euros. A total of 2,446 disclosers reported campaigns exceeding 800 euros. The largest amount of

external contributions received for an individual election campaign was 21,639 euros. In all 1,822 disclosers reported having received external contributions. Some of the contributions reported did, however, fall below the 800-euro limit. The requirement set in the Act on a Candidate's Election Funding is that donors providing a contribution exceeding 800 euros must be disclosed separately.

It is in practice impossible to present any relevant figures concerning campaign expenditure and funding as the campaigns and election funding of those who provided a written declaration could vary between 0 and 799 euros. It should be restated that around 15,020 disclosers provided a written declaration concerning election funding not exceeding 800 euros.

3.7 General observations concerning the functioning of the Act on a Candidate's Election Funding

On a general level it can be stated that the Act on a Candidate's Election Funding, as amended, provides good preconditions for the implementation of openness in candidates' election funding. The process determined by the Act can be regarded as functioning well on a general level. No shortcomings were detecting in the functioning of the process, regardless of the fact that the number of candidates and disclosers was considerably larger than in previous elections.

It should, however, be noted from the perspective of the assessment of supervision results that no actual audits can be conducted due to there being no legislation concerning any formal obligation to monitor campaign costs and funding. The transparency of election funding is still essentially based on disclosers' open and honest disclosures. In this respect the system has been made as guiding as possible. In addition to providing general guidelines, the aim was to be able answer all inquiries relating to the filing of disclosures and election funding in general, including throughout the busiest periods. This aim was also reached.

It should be noted as regards the implementation of supervision that the National Audit Office was assigned under the Act on a Candidate's Election Funding and amendments to the Act on Political Parties (10/1969) with new tasks without further resources. Appropriate attendance to these tasks has required the redirection of auditing resources to supervision of election and party funding as well as related customer service-type work.

Solution models that work in several interpretation situations can be derived from the Act on a Candidate's Election Funding or the preparatory work produced for the Act. However, issues such as drawing the line between a candidate's ordinary activities and election campaigning leave considerable room for interpretation.

It is worthy of note that, although disclosers must on request provide supplementary information and reports that may be necessary to verify the accuracy and completeness of their disclosure, the National Audit Office does not have any actual binding means of requiring such information or reports in cases where the discloser fails to provide them following requests.

Under the Act on a Candidate's Election Funding, if a discloser fails to file the funding disclosure required under the Act despite a reminder to do so issued by the National Audit Office, or if the funding disclosure is found to be inaccurate or incomplete in essential parts, the National Audit Office may require the discloser to file the disclosure or correct an error or provide the missing information on pain of a penalty payment. The aim of the Act is, however, for the system to be as guiding as possible until it is apparent that a discloser is unwilling to provide accurate and complete information about their election funding and campaign costs. It should be pointed out in this respect that the eight-month deadline set for the National Audit Office as regards the submission of the report to Parliament may result in the penalty payment process still being pending at the time of the report's submission.

It should, however, be noted that the aim of the Act on a Candidate's Election Funding to make the disclosures available in a public data network appears to have been reached. During the calendar year (May 2012 to April

2013), the number of page views on the party and election funding supervision website maintained by the National Audit Office totalled 1,322,124.

4 Conclusions

All the persons, except for three, required to file an election funding disclosure in the 2012 municipal elections filed an election funding disclosure as prescribed in the Act on a Candidate's Election Funding. Under the Act, liability for the accuracy of the disclosure always rests with the discloser.

Following disclosure processing, inquiries and provision of supplementary information, the National Audit Office has received no such indication that gives reason to doubt the accuracy of the disclosures received, excluding one election funding disclosure.



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