

Oversight of election campaign funding in the 2023 parliamentary elections

- Report of the
National Audit Office



NATIONAL AUDIT OFFICE'S
REPORTS TO PARLIAMENT

R 20/2023 VP



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K 20/2023 vp

To Parliament



In the 2023 parliamentary elections, the National Audit Office has overseen compliance with the obligation to disclose election campaign funding and election campaign costs as laid down in the Act on a Candidate's Election Funding (273/2009). Under section 10(3) of the Act, the National Audit Office shall submit to Parliament an election-specific report on the election funding disclosures it has received and on its work as the body overseeing compliance with the disclosure obligation (report on the oversight of election campaign funding).

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Sami Yläoutinen
Auditor General

Pontus Londen
Principal Financial Auditor

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Key findings of the oversight



All the 273 persons subject to the disclosure obligation have filed the election funding disclosure referred to in the Act on a Candidate's Election Funding, i.e. a disclosure of the funding and costs of their election campaign. In the parliamentary elections, the candidates elected as members of the Finnish Parliament and those appointed as alternate members were subject to the disclosure obligation. The person subject to the disclosure obligation is responsible for the accuracy of the information provided in the election funding disclosure.

The National Audit Office examined the information on the election funding disclosures on receipt of the disclosures and later on the basis of additional information received from the disclosers. The National Audit Office requested all the disclosers to submit their campaign bank statements or corresponding information supplementing the election funding disclosures to help it verify that the information provided in the election funding disclosures was accurate. With the exception of one discloser, all disclosers provided the additional information requested by the National Audit Office. The bank statements and other reports received from the disclosers are to be kept secret under the Act on the Openness of Government Activities¹.

After receiving the additional information, the election funding oversight team compared the information received with the discloser's election funding disclosure. As part of the verification of the accuracy of the information in the election funding disclosures, the election funding oversight team contacted 188 disclosers to request further information to supplement the information already provided. As a result of the oversight, 134 disclosers supplemented their election funding disclosure.

One discloser did not submit the requested supplementary information on their election campaign funding. This discloser's election funding disclosure was found to be formally correct.

A total of 162 disclosers supplemented or modified the information in their disclosure after it was filed.

The National Audit Office did not receive any complaints concerning the election funding disclosures in connection with the 2023 parliamentary elections.

After examining the disclosures, the campaign bank statements or corresponding reports provided by the disclosers and the supplementary information provided, the National Audit Office is not aware of any matters on the basis of which it would have any reason to doubt the accuracy of the disclosures.

The funding of political activities is regulated by the Act on a Candidate's Election Funding. The Act lays the foundation for the openness and transparency of elections and election campaign funding. It is essential to the openness of elections that voters can find out the sources from which political parties or other political actors nominating candidates

have received funding for their campaigns. The Act on a Candidate's Election Funding applies to parliamentary elections, presidential elections, county elections, municipal elections and European Parliament elections.

It is laid down in the Act on a Candidate's Election Funding that it is the task of the National Audit Office to oversee that the elected candidates and other persons subject to the disclosure obligation disclose their election campaign costs and funding. The National Audit Office also oversees that the disclosures contain the information on election funding required by the Act and that the information is accurate. The Act on a Candidate's Election Funding also defines what kind of campaign funding may not be received. The National Audit Office is not responsible for overseeing compliance with these limitations.

The election campaign funding disclosed should include the candidates' own funds and the loans they have taken out to finance the election campaign, as well as any outside contributions that they, their support groups and other support entities have received for the campaign. Outside contributions should be disclosed both in total and itemised by donors. The disclosure should also specify the donors of significant contributions and the contributions received from them.

Election funding disclosures are public. They are available on the vaalirahoitusvalvonta.fi web service.



1 What does election campaign funding mean and why is it overseen?

The purpose of the Act on a Candidate's Election Funding² is to regulate the funding of political activities. The Act on a Candidate's Election Funding provides a foundation for transparent election campaign funding. The Act on a Candidate's Election Funding applies to parliamentary elections, presidential elections, county elections, municipal elections and European Parliament elections.

The purpose of the Act on a Candidate's Election Funding is to improve the transparency of election funding and provide more information on the candidates' possible ties to third parties. The Act also aims to limit the increase in the candidates' election campaign costs.

Under the Act, persons elected in political elections to positions of trust and their alternates should disclose the funding and costs of their election campaign to the National Audit Office. The Act also defines the type of campaign funding that may not be received and provides for an obligation to name the donors of campaign contributions if the value of the contribution is at least EUR 1,500 in parliamentary elections.

The Act on a Candidate's Election Funding provides a basis for transparent election funding. It is part of the transparency that voters can find out how political actors receive funding.



1.1 What does election campaign funding mean?

Election campaign funding means the funding raised to cover the costs of a candidate's election campaign. The campaign period begins six months before the election day and ends two weeks after the election day.

The recipient of a *candidate's election funding* may be the candidate, their support group or other entity operating exclusively for the purpose of promoting the candidate, and they are interpreted as a single entity. From the perspective of election campaign funding, they form a single entity, and the person subject to the disclosure obligation, i.e. the candidate elected, must disclose the election campaign funding received by all of them.

A candidate's election funding may consist of

1. the candidate's own funds and any loans taken out by the candidate
2. campaign contributions received by the candidate, the candidate's support group or other entity operating exclusively for the purpose of promoting the candidate
3. other campaign contributions.

Ordinary voluntary work and ordinary free services do not constitute election funding within the meaning of the Act on a Candidate's Election Funding and do not need to be reported in the election funding disclosure. When the Act on a Candidate's Election Funding was enacted, it was considered that their inclusion would make it more difficult to compare election funding disclosures, as it is very difficult to determine the value of voluntary work and free services accurately and according to the same standards.³

The election funding should be disclosed both in total and itemised into the candidate's own funds, the loans taken out by the candidate and any contributions received by the candidate, the candidate's support group or any other entity operating exclusively to promote the candidate.

The loans taken out by the candidate also include the invoices that are outstanding at the time of filing the disclosure.

Any contributions received by a candidate, the candidate's support group or any other entity operating exclusively to promote the candidate should be grouped in the disclosure according to the donor as contributions received from private individuals, companies, the political party, party associations and other actors.

Election campaign costs are considered to refer to all such costs incurred during the campaign that have the functional purpose of promoting the election of the candidate and that the candidate can influence. Election campaign costs are considered to include costs incurred during the campaign period even if they were paid outside the campaign period.

1.2 Why is the election campaign funding overseen?

Open and honest elections are the cornerstone of a well-functioning Western democracy. A principal objective of the Act on a Candidate's Election Funding is to prevent corruption and to ensure that the political system can rely on adequate resources. The limitations on political party and election campaign funding and the objectives related to transparency have generally been found not to be fully effective if the system does not include active oversight and the threat of sanctions in practice.

It is essential to the openness of elections that voters can find out the sources from which political parties or other political actors nominating candidates have received funding for their campaigns. The Act on a Candidate's Election Funding therefore includes a provision according to which the names of the donors who have funded the campaign significantly and the amounts of the contributions must be specified in the election funding disclosure. The National Audit Office publishes the disclosures it has received without delay in the vaalirahoitusvalvonta.fi web service, where anybody can view the information disclosed.

Strong economic dependence on one donor may give rise to suspicions that the donor is attempting to inappropriately influence the candidates or the policy pursued by the party nominating the candidates.⁴ Therefore, the Act on a Candidate's Election Funding includes a maximum for contributions a candidate may accept from a single donor.

The elected candidates' obligation to announce the funding of their election campaign increases public information on the candidates' possible ties to third parties. Contribu-

tions should be grouped in the election funding disclosure on the basis of the donor into contributions received from private individuals, companies, the party, party associations and other actors.

Compliance with the disclosure obligation is overseen in Finland by the National Audit Office. International organisations also play an important role in defining good practices related to transparency and in overseeing that different countries comply with the commitments and standards related to election campaign funding.

The Act on a Candidate's Election Funding entered into force in 2010. The Act took into account the recommendations made to Finland by the Group of States against Corruption (GRECO) of the Council of Europe. One of them concerned the assignment of the task of overseeing election campaign funding to the independent National Audit Office.

The Organization for Security and Cooperation in Europe (OSCE) regularly monitors presidential elections and parliamentary elections. The OSCE draws up a separate report on each election observation mission, and the reports are available on the OSCE's website.



2 Election campaign funding must be disclosed



The Act on a Candidate's Election Funding requires that the candidates elected to a position of trust and other persons subject to the disclosure obligation should file an election funding disclosure. The disclosure is sent to the National Audit Office, which oversees that all those subject to the disclosure obligation file a disclosure and that the disclosure contains the information required by the Act.

The Act also includes limitations on election campaign funding. The Act lists the donors from which election funding may not be received. The Act also specifies a maximum for contributions that a candidate, the candidate's support group or other entity operating exclusively for the purpose of promoting the candidate may accept from one and the same donor. Under the Act on a Candidate's Election Funding, the oversight of the limitations on election funding is not part of the National Audit Office's oversight task. However, one of the tasks of the National Audit Office is to ensure the accuracy and completeness of the information contained in the election funding disclosures and thus, as part of its oversight tasks, it in practice also oversees compliance with the limitations.

Election funding disclosures are public, and anyone has the right to view them. The National Audit Office publishes the disclosures it has received immediately in the vaalirahoitusvalvonta.fi web service, where they are publicly available for a period specified in the Act on a Candidate's Election Funding, i.e. five years from the confirmation of the results of parliamentary elections.

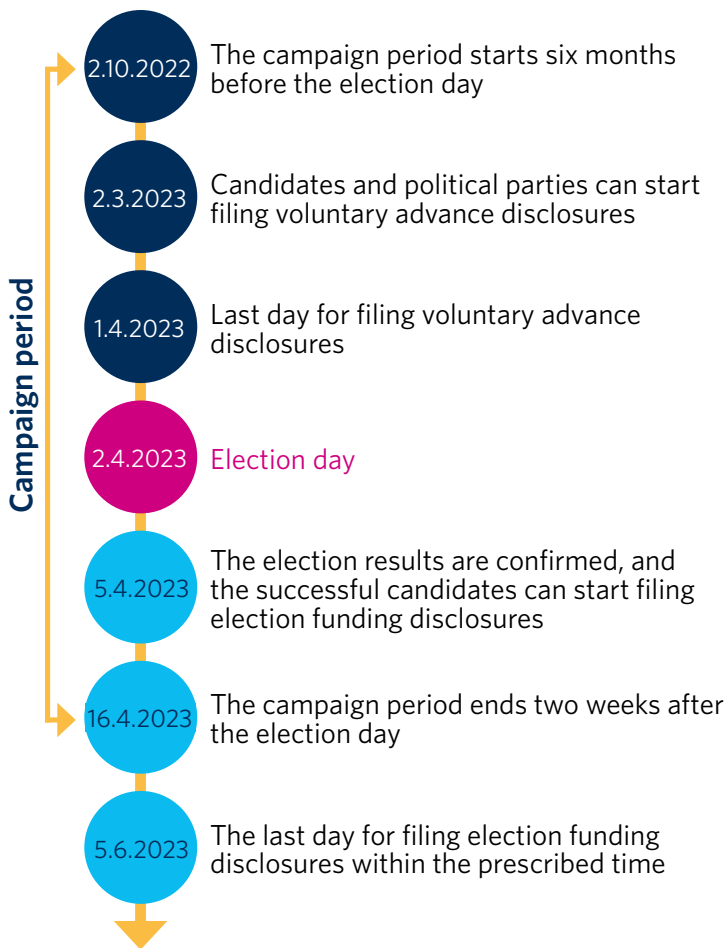


Figure 1: Timeline of the 2023 parliamentary elections

2.1 Who has to file an election funding disclosure?

The Act on a Candidate’s Election Funding specifies who is *subject to the disclosure obligation*, i.e. who should file an election funding disclosure with the National Audit Office⁵.

In parliamentary elections, the candidates elected as members of Parliament and those appointed as alternate members are subject to the disclosure obligation. Under the Act on a Candidate’s Election Funding, the discloser is responsible for the content of their election funding disclosure.



The discloser is responsible for the content of their election funding disclosure.

The Act does not lay down any sanctions for filing an inaccurate election funding disclosure. The National Audit Office may impose a penalty payment only if the discloser fails to file an election funding disclosure or if the disclosure is found to be manifestly inaccurate or incomplete in essential parts.

2.2 How and when should an election funding disclosure be filed?

The election funding disclosure should be filed within two months of the confirmation of the election results. The National Audit Office sends guidelines for filing election funding disclosures to the persons subject to the disclosure obligation.

The disclosure can be filed via the service portal of the oversight of election campaign and political party funding of the National Audit Office or by sending a completed form to the National Audit Office by email or letter. The information required by the law can also be provided by other means. Nevertheless, the aim is for as many people as possible to file their disclosures in electronic format.⁶

2.3 Advance disclosure

When making a voting decision, the voters should already have information on the candidates' election campaign funding. Therefore, the Act on a Candidate's Election Funding provides for a voluntary advance disclosure, by which candidates and the political parties that have nominated them can disclose their election campaign costs and funding before the elections.

Advance disclosures can be filed between the completion of the master list of candidates and the election day. The advance disclosures are filed with the National Audit Office, which publishes them without delay in the web service of the oversight of election campaign funding.

The National Audit Office's guidelines for filing advance disclosures are available, for example, in the web service of the oversight of election campaign funding. The National Audit Office also provides information about the filing of advance disclosures on its website and social media accounts to encourage as many candidates as possible to file an advance disclosure.⁷



Disclosers should itemise the costs and funding of their election campaigns.

2.4 What information should be provided in the election funding disclosure?

In the election funding disclosure, the person subject to the disclosure obligation should itemise the funding and costs of their election campaign. Election campaign funding refers to all funding raised to cover the costs of a candidate's election campaign incurred no earlier than six months before the election day and no later than two weeks after the election day, irrespective of when such costs are paid.⁸

Election campaign funding

Election campaign funding can consist of a candidate's own funds or loans or contributions received from a third party. Outside contributions may have been provided in the form of money, goods, service or a similar form. Contributions may also be provided for consideration, i.e. the candidate or their support group has collected them by selling specific goods or services.

Ordinary voluntary work and ordinary free services do not constitute election funding within the meaning of the law and do not need to be disclosed.

Each discloser shall provide an itemised disclosure of their election campaign funding as follows:

- the candidate's own funds and the loans that they have taken out
- all outside contributions received by a candidate, their support group or other entity operating exclusively for the purpose of promoting the candidate.

In the election funding disclosure, the loans taken out by the candidate should also include the invoices that remain outstanding at the time of filing the disclosure.

Outside contributions should be itemised according to the donor into contributions provided by private individuals, companies, the political party, party associations and other actors.

For each contribution of at least EUR 1,500, the election funding disclosure should disclose the value of the contribution and the name of the donor.

All contributions received from a single donor for the candidate's campaign costs are to be added up and disclosed as a single contribution. The total value of the contributions received from a single donor in parliamentary elections may not exceed the maximum of EUR 6,000, specified in the Act on a Candidate's Election Funding. However, contributions



If the value of a contribution received for a parliamentary election campaign is at least EUR 1,500, the name of the donor and the value of the contribution should be disclosed.

from a political party or party association referred to in the Act on Political Parties⁹ may exceed EUR 6,000, provided that they do not include contributions from other donors in excess of the above amount.

If the person subject to the disclosure obligation or their support team has taken out a loan to cover election campaign costs, the discloser should file a post-election report to the National Audit Office on the loan. The post-election report should indicate the amount of the loan and such contributions received from outside donors for repayment of the loan the value of which is at least EUR 1,500.¹⁰

Election campaign costs

Election campaign costs are considered to refer to all such costs incurred during the campaign period the purpose of which is to promote the election of the candidate in the elections and that the candidate can influence. The costs must have been incurred during the campaign period, but they may have been paid outside the campaign period.

In the election funding disclosure, campaign costs should be itemised into promotional expenditure for election campaign advertisements and the planning of advertising, the costs of rallies, the costs for obtaining contributions for consideration and other costs.

The promotional expenditure for campaign advertisements disclosed should include all outdoor advertising paid by the candidate, their support group or an entity operating for the purpose of promoting the candidate, as well as advertising in newspapers, periodicals and free newspapers, in the radio and on television, in data networks, social media and other means of communication. The costs of purchasing printed election newsletters, leaflets and other materials and the costs of campaign planning should also be disclosed.¹¹

The Act on a Candidate's Election Funding lays down certain limitations on election funding. The Act does not provide for sanctions for non-compliance with the limitations.



2.5 What kind of support can be accepted in an election campaign?

The Act on a Candidate's Election Funding lays down certain limitations on election campaign funding. The Act does not provide for sanctions for non-compliance with the limitations. Sanctions have not been provided for because the negative publicity resulting from the violation of the limitations has been considered a punishment in itself. Non-compliance with the limitations falls under political responsibility.

Through its own activities, the National Audit Office aims to ensure that as many candidates and disclosers as possible are aware of the limitations on election campaign funding and that it is possible for the public to view whether the elected candidates and other

persons subject to the disclosure obligation have complied with the limitations laid down in the Act on a Candidate's Election Funding. The National Audit Office publishes the election funding disclosures it receives immediately in the vaalirahoitusvalvonta.fi web service. The published disclosures are stored in the web service for a period of five years from the confirmation of the results of the parliamentary elections.

It should be possible to find out the donor of a campaign contribution

According to the Act on a Candidate's Election Funding, it must be possible to find out the donor of a campaign contribution. Contributions may not be accepted from donors that cannot be identified. However, this provision does not apply to contributions received as a result of ordinary fundraising activities, such as cash collections on the street.¹²

Contributions may not be accepted from public-sector organisations - acceptance of contributions from foreign donors is also limited

Contributions for an election campaign may not be received from the central government, a wellbeing services county, a wellbeing consortium, a municipality or a joint municipal authority. Nor may contributions be received from an unincorporated state, municipal or county enterprise, an association, institution or foundation governed by public law, or a company controlled by the state or a county or municipality. However, ordinary hospitality is permitted.

Foreign support may be accepted for the election campaign only from private individuals and from organisations and foundations that represent the candidate's ideology.¹³

The maximum value of contributions that may be accepted from a single donor is EUR 6,000

A candidate, their support group and other entity operating exclusively for the purpose of promoting the candidate may accept contributions from a single donor for a maximum value of EUR 6,000. The limitation does not apply to contributions received from the party or a party association. The Act on a Candidate's Election Funding does not limit the amount of contributions received from them.

The maximum amount laid down by the Act on a Candidate's Election Funding applies to all contributions received from a single donor for an election campaign. The contribution may have been received by the candidate or their support group, or it may have been provided via another actor, such as the party or a party association. The total value of these contributions may not exceed the EUR 6,000 limit specified in the Act.¹⁴



The maximum value of contributions that may be accepted in parliamentary elections from a single donor is EUR 6,000.

The name of a donor donating at least EUR 1,500 should be published

If a candidate has received contributions of at least EUR 1,500 from a single donor for their parliamentary election campaign, the donor's details should be disclosed in the election funding disclosure. The limit for disclosing the donor is laid down in the Act on a Candidate's Election Funding, and it is election-specific.¹⁵

The name of a private individual may not be published without their express consent if the value of their contribution is less than EUR 1,500.

The payer of an election advertisement should be displayed on the advertisement

It should be ensured in an election campaign that an advertisement that is part of an election campaign or intended to support it displays the name of the person paying for the advertisement.

If the value of an advertisement paid by a private individual is less than EUR 1,500 in parliamentary elections, the name of the payer may not be published without their express consent. The name of a private individual must always be published if the value of the advertisement paid by them is at least EUR 1,500.¹⁶

2.6 The Act on a Candidate's Election Funding encourages comprehensive transparency

The legislation enables candidates to be highly transparent about their election campaign funding. Only in the case of funding received from private individuals, a candidate, the candidate's support group or an entity operating exclusively to promote the candidate must have the donor's express consent to be allowed to publish the donor's name if the contribution is below the specified limit, i.e. EUR 1,500.

In the case of other categories of financial support, the candidates have the possibility of disclosing the name of the donor of each individual contribution – even if the contribution is below EUR 1,500. The National Audit Office has aimed to encourage candidates to disclose their election funding openly on a voluntary basis. So far, few candidates have voluntarily disclosed the names of the donors of contributions of less than EUR 1,500.



3 Oversight of election campaign funding by the National Audit Office



Under the Act on a Candidate's Election Funding, it is the task of the National Audit Office to oversee that the elected candidates and other persons subject to the disclosure obligation file an election funding disclosure according to the Act. The National Audit Office also oversees that the disclosures contain the information on election funding required by the Act and that the information is accurate.¹⁷

The National Audit Office also advises on the filing of election funding disclosures and reminds the persons subject to the disclosure obligation of filing the disclosure. If a discloser fails to file the statutory disclosure despite being reminded by the National Audit Office to do so or if the 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 the error or provide the missing information on pain of a penalty payment.

In other words, the National Audit Office oversees compliance with the disclosure obligation under the Act on a Candidate's Election Funding. The National Audit Office is not responsible for overseeing compliance with other provisions of the Act.

For example, the limitations on a candidate's election campaign funding¹⁸ are outside the scope of the National Audit Office's oversight obligation and fall under political responsibility. In practice, however, the National Audit Office often oversees compliance with the limitations when it oversees the accuracy and completeness of the information in the disclosure.

Filing an election funding disclosure and disclosing the information requested in the disclosure is a statutory obligation. If necessary, the National Audit Office may require a person subject to the disclosure obligation to file the disclosure or to supplement the information in it on pain of a penalty payment. The discloser is always responsible for the content of the disclosure.

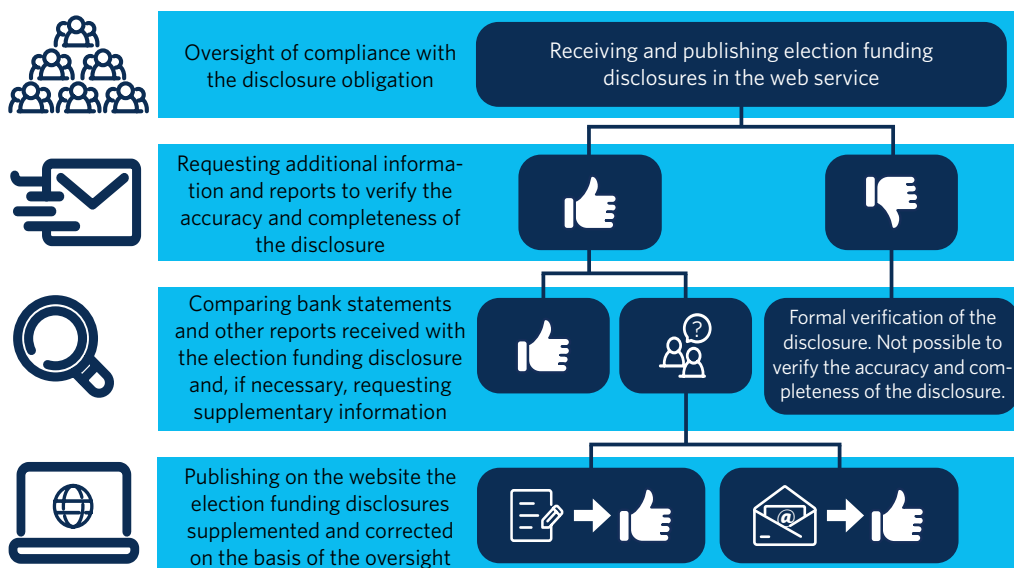


Figure 2: Oversight of election campaign funding

Election funding disclosures are public, and anyone has the right to view them. The National Audit Office maintains the vaalirahoitusvalvonta.fi web service, where it publishes the election funding disclosures it receives without delay. Disclosures related to the latest elections can also be viewed in the service. The service includes ready-made reports to facilitate information retrieval.

Before the campaign period began, the National Audit Office adopted guidelines for filing election funding disclosures. After the guidelines had been adopted, they were sent to all registered parties and published in the Finlex database and in the vaalirahoitusvalvonta.fi web service.

3.1 The National Audit Office oversees that the persons subject to the disclosure obligation file an election funding disclosure

The National Audit Office is responsible for overseeing compliance with the disclosure obligation.

The National Audit Office issued guidelines for filing election funding disclosures in the 2023 parliamentary elections. The guidelines are available in the Finlex database and in the vaalirahoitusvalvonta.fi web service. The guidelines were also sent to all registered parties before the elections.



The National Audit Office oversees compliance with the disclosure obligation under the Act on a Candidate's Election Funding.

CRITERIA IN THE OVERSIGHT OF ELECTION CAMPAIGN FUNDING: Compliance with the disclosure obligation¹⁹

The National Audit Office oversees compliance with the disclosure obligation on the basis of the following criteria:

1. All persons subject to the disclosure obligation file an election funding disclosure.
2. The election funding disclosure is filed within the time prescribed, i.e. within two months of the confirmation of the results of the elections.
3. The election funding disclosure is filed by the person who is subject to the disclosure obligation under the law. The disclosure may not be filed on behalf of another person.

If a person subject to the disclosure obligation fails to file the election funding disclosure despite a reminder to do so or if the disclosure is inaccurate or incomplete in essential parts, the National Audit Office may require the person to file the disclosure or to correct the error or provide the missing information on pain of a penalty payment. The penalty payment is imposed by the Sanction and Penalty Board referred to in the Act on the National Audit Office of Finland.

3.2 The National Audit Office oversees that the election funding disclosures have provided accurate and complete information

As part of its oversight task, the National Audit Office can, at its discretion, request disclosers to provide additional information and reports so that it can verify the accuracy and completeness of the disclosures.

However, the obligation to provide information only applies to the person subject to the disclosure obligation, and the National Audit Office does not have the right to request reports or additional information from third parties. Thus, in practice, the National Audit Office has no right to demand or collect comparative data to verify the accuracy of the disclosures. This is an essential restriction from the perspective of the oversight.

CRITERIA IN THE OVERSIGHT OF ELECTION CAMPAIGN FUNDING: What information in the election funding disclosure is verified?²⁰

When receiving election funding disclosures, the National Audit Office ensures that the disclosures contain the information required by the Act on a Candidate's Election Funding. The National Audit Office has the right to request the disclosers to provide their campaign bank statements or similar additional information and reports supplementing the election funding disclosures so that it can verify the accuracy of the disclosures.

1. Candidate's details

The disclosure includes the candidate's full name, title, occupation or position. The disclosure also includes the name of the political party that nominated the candidate or an indication that the candidate was nominated by a constituency association.

2. Election campaign costs

The disclosure indicates the total election campaign costs. The costs are itemised into promotional expenditure for election campaign advertisements in newspapers, periodicals and free newspapers, in the radio, on television and in data networks and other communications media, outdoor advertising, purchasing of campaign newsletters, leaflets and other printed material, campaign planning, organisation of rallies and other expenditure.

3. Election campaign funding

The disclosure indicates all election campaign funding. The funding is itemised into the candidate's own funds and the contributions received by the candidate, the candidate's support group or other entity operating exclusively for the purpose of promoting the candidate. Outside contributions are grouped into contributions received from private individuals, companies, the political party, party associations and other sources.

4. Details of donors that have donated at least EUR 1,500

The discloser has stated in the disclosure whether the campaign funding included contributions of at least EUR 1,500. If the discloser received financial contributions of at least EUR 1,500, the name and other details of the donor should be indicated in the disclosure.

5. The election funding covers the campaign costs

In the law, election campaign funding refers to the funding raised to cover the costs of a 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.

6. The disclosures do not contain any essential calculation errors or other technical errors

After examining the funding disclosures, the National Audit Office may request a discloser to file a new disclosure, to provide additional information to supplement the disclosure, or to provide information corroborating the accuracy and completeness of the disclosure.

If the discloser fails to file the election funding disclosure despite a reminder to do so or if the disclosure is inaccurate or incomplete in essential parts, the National Audit Office may require the discloser to file the disclosure or correct the error or provide the missing information on pain of a penalty payment. The penalty payment is imposed by the Sanction and Penalty Board referred to in the Act on the National Audit Office of Finland.

3.3 The National Audit Office guides and advises disclosers in filing election funding disclosures and reminds them of filing the disclosure

The National Audit Office guides and advises the persons subject to the disclosure obligation in filing the election funding disclosure and provides information actively on the important deadlines on its website and on social media.

The National Audit Office provides information on the possibility of filing a voluntary advance disclosure of election campaign funding and on the last date of filing it. Once the election results have been confirmed, the National Audit Office sends guidelines for filing the actual election funding disclosure to all persons subject to the disclosure obligation.

3.4 The National Audit Office publishes the election funding disclosures in the vaalirahoitusvalvonta.fi web service

Election funding disclosures are public, i.e. available to anyone. The disclosure obligation increases the amount of publicly available information on the candidates' possible ties to third parties.

The National Audit Office ensures the openness and transparency of election campaign funding by maintaining the vaalirahoitusvalvonta.fi web service and publishing the advance disclosures, the election funding disclosures and the post-election reports of campaign loans it receives in the service as soon as they are received.

The disclosures remain available to the public in the web service for a period of five years from the confirmation of the results of the parliamentary elections.



4 Restrictions on the oversight mandate and the need to amend the Act on a Candidate's Election Funding

4.1 General

The National Audit Office carries out the oversight of election and political party funding within the limits of the mandate given to it. However, the practical oversight work has revealed such shortcomings in the current oversight mandate of the National Audit Office that make it difficult to carry out the oversight tasks appropriately and can therefore significantly limit the implementation of transparency of election campaign and political party funding within the meaning of the law.

During the parliamentary term 2019–2023, a reform of the legislation on political parties and election campaign funding was prepared (government proposal HE 254/2022). The legislative proposal lapsed because it had not been processed before the parliamentary elections of spring 2023. Therefore, the legislative amendments that would have been essential for the oversight of political party and election campaign funding were not made.

4.2 Comparative data

As part of its oversight task in the 2023 parliamentary elections, the National Audit Office could, at its discretion, request disclosers to provide additional information and reports so that it could verify the accuracy and completeness of the election campaign disclosures. However, the obligation to provide the information only applies to the person subject to the disclosure obligation, and the National Audit Office does not have the right to request reports or additional information from third parties. Thus, in practice, the National Audit Office has no right to demand or collect comparative data to verify the accuracy of the disclosures.

In its reports, the National Audit Office has highlighted its limited rights to obtain information. In the current situation, the National Audit Office has no right to obtain additional information from the actors that supported the campaign financially or that provided services or products for the campaign. The OSCE and the Parliamentary Audit Committee have also years ago paid attention to the National Audit Office's limited rights to obtain information.

The National Audit Office is almost entirely dependent on the information provided by the candidate in cases where there is reason to suspect that the candidate's election funding disclosure is inaccurate or incomplete in essential parts. This is an important obstacle

to the effective implementation of the oversight. It has also led to a situation where, for example, an individual media company may have more information about the size of a candidate's election campaign than the public authority responsible for the oversight.

4.3 Minor sanctions for violations of the Act on a Candidate's Election Funding

As regards enhancing the implementation, the only way comparable to a sanction under the current legislation is to impose a penalty payment, but its use is strictly limited. If the discloser fails to file the election funding disclosure despite being reminded to do so by the National Audit Office or if the disclosure is found to be inaccurate or incomplete in essential parts, the National Audit Office may require the discloser to file the disclosure or to correct an error or provide the missing information on pain of a penalty payment.

If the discloser fails to provide the requested additional information to the National Audit Office despite being requested to do so, the National Audit Office is not allowed to oblige them to do so under the Act on a Candidate's Election Funding.

Nor is the National Audit Office, under the Act on a Candidate's Election Funding, allowed to oblige the persons subject to the disclosure obligation to file a post-election report on the loans taken out for the election campaign. The post-election report should disclose the amount of the loan taken out by the candidate or their support group and such contributions received from outside donors for the payment of the loan the value of which is at least EUR 1,500.

During the parliamentary term 2019–2023, a reform of the legislation on political parties and election campaign funding was prepared. The government proposal²¹ related to it proposed extensions to the possibility of using the penalty payment in accordance with the wishes expressed by the National Audit Office in the parliamentary working group. The legislative proposal lapsed because it had not been processed before the parliamentary elections of spring 2023.

Section 4 of the Act on a Candidate's Election Funding describes limitations on the election funding received by a candidate and lists the donors from which it is forbidden to receive campaign contributions. However, there are no sanctions for breaching these limitations, and the oversight of the limitations is outside the scope of the National Audit Office's oversight tasks but falls under political responsibility. Under the current legislation, candidates do not, for example, have to repay a contribution from a donor expressly forbidden by law.

4.4 Publication of lenders' names

The current legislation does not oblige the discloser to disclose the lender's name even if the loan is substantial. Nor does it limit the loan amount. Granting a loan makes it possible to hide political funding from the public and circumvent the current provisions.

Publication of the names of providers large campaign loans would increase the transparency of election campaign funding. This would make public the lenders with which ties could be considered to rise.

The National Audit Office therefore considers that the lenders' names should be published if the loan to a candidate's campaign amounts to at least EUR 1,500 (EUR 800 in municipal elections).

4.5 Lowering or removing the lower limit for contributions to be separately disclosed in the case of legal persons

During the previous parliamentary term, the National Audit Office proposed in connection with the reform of the Act on Political Parties and the Act on a Candidate's Election Funding that the lower limit for contributions required for publishing the name of the donor should be lowered in the case of legal persons. This proposal was dropped during the legislative drafting, but the National Audit Office still considers that it would be a significant amendment.

It would still be justified to consider the proposal as it involves no problems with the protection of privacy because the publication obligation would apply only to legal persons. In any case, lowering the lower limit would bring much more transparency to both the sources of political funding and the irregularities in it.



5 Parliamentary elections 2023: The disclosures received by the National Audit Office and the measures taken to oversee compliance with the disclosure obligation

5.1 Summary

The number of persons subject to the disclosure obligation in the 2023 parliamentary elections was 273. The obligation to file an election funding disclosure applied to the candidates elected as members of Parliament and those appointed as alternate members when the results of the parliamentary elections were confirmed.

All persons obliged to file disclosures in the 2023 parliamentary elections filed the election funding disclosure referred to in the Act on a Candidate's Election Funding. Seven disclosers filed the disclosure after the expiry of the time prescribed. These seven disclosers filed their disclosures on the day following the deadline.

Under the Act on a Candidate's Election Funding, the discloser is always responsible for the accuracy of the election funding disclosure.

The team responsible for the oversight of election campaign funding examined whether the election funding disclosures contained the information required by the Act on a Candidate's Election Funding.

The National Audit Office strived to ensure that the disclosures contained accurate and complete information on election funding. To that end, all persons subject to the disclosure obligation were requested to provide their campaign bank statement or similar information supplementing the disclosure.

After receiving the additional information, the election funding oversight team compared the information received with the discloser's election funding disclosure. As part of the verification of the accuracy of the information in the election funding disclosures, the National Audit Office contacted 188 disclosers to request further information to supplement the information already provided. As a result of the oversight, 134 disclosers supplemented their election funding disclosure. After the 2019 parliamentary elections, we requested 92 persons to supplement or correct their election funding disclosure.

Seven disclosers filed the disclosure after the expiry of the time prescribed.



One discloser did not submit the supplementary information requested on their election campaign funding. This person's election funding disclosure was found to be formally correct.

After examining the disclosures, the campaign bank statements or corresponding additional information and the supplementary information provided by the disclosers, the National Audit Office is not aware of any matters on the basis of which it would have any reason to doubt the accuracy of the disclosures.

The election funding disclosures for the 2023 parliamentary elections will remain publicly available in the vaalirahoitusvalvonta.fi web service until 5 April 2028.

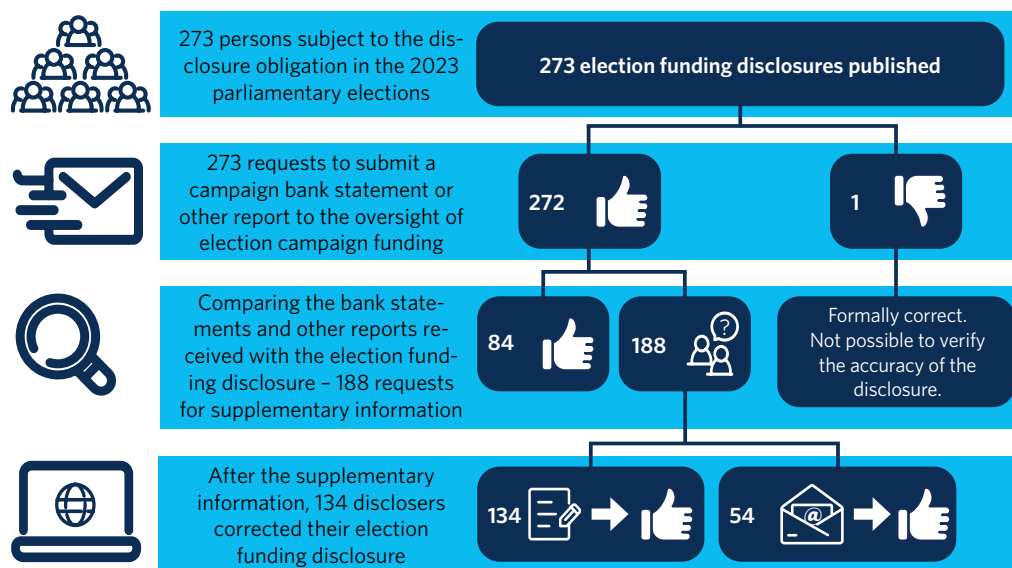


Figure 3: Summary of the oversight of election campaign funding in the 2023 parliamentary elections

5.2 Advance disclosures

In the 2023 parliamentary elections, advance disclosures were to be filed no later than the day before the election day, i.e. 1 April 2023. The advance disclosure is a plan for election campaign funding and costs, and it is based on an estimate.

An advance disclosure was filed by the deadline by a total of 1,065 persons, i.e. 44 per cent of all candidates (2,424).

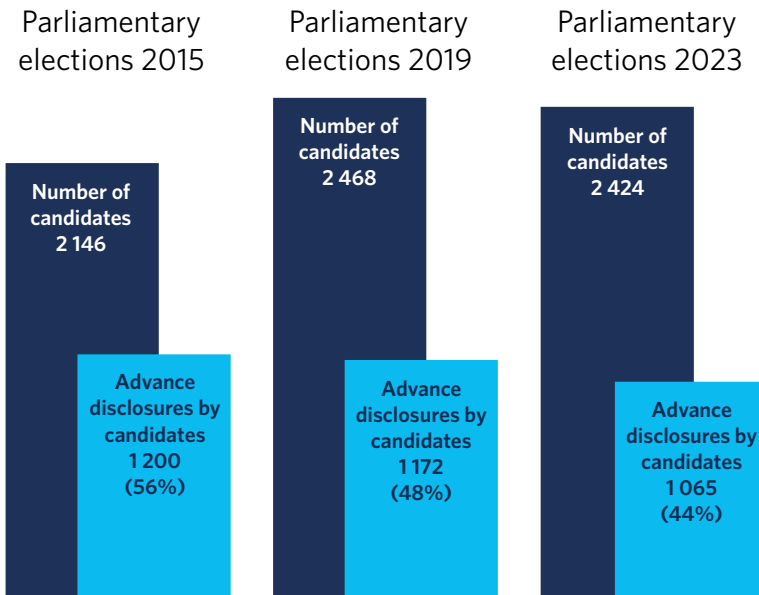


Figure 4: Advance disclosures filed by all candidates in the 2015, 2019 and 2023 parliamentary elections

Of the persons subject to the disclosure obligation, i.e. of the candidates elected as members of Parliament and those appointed as alternate members, 141 (52%) filed an advance disclosure.

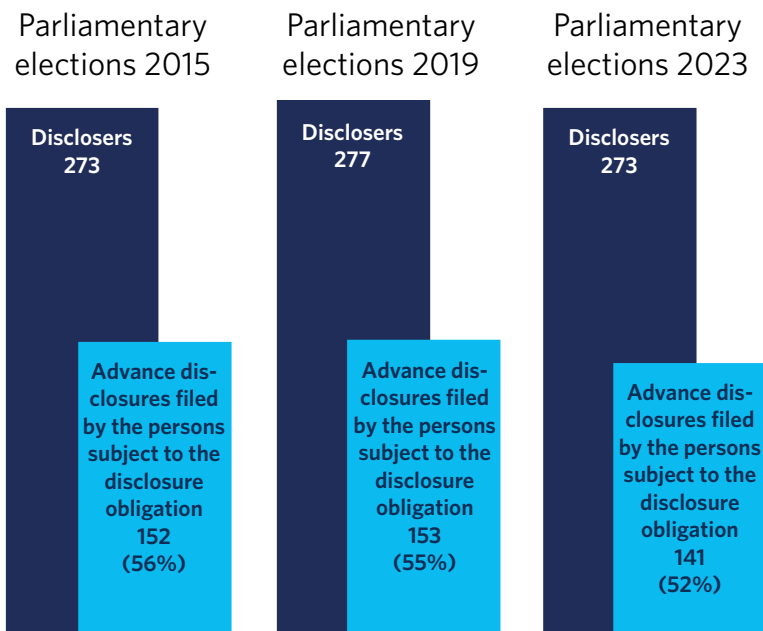


Figure 5: Advance disclosures filed by the persons subject to the disclosure obligation, i.e. members of Parliament and alternate members, in the 2015, 2019 and 2023 parliamentary elections.

All advance disclosures filed by the deadline have been published in the vaalirahoitus-valvonta.fi web service. The advance disclosures filed by the persons subject to the disclosure obligation remain available to the public for a period of five years, until 5 April 2028.

Advance disclosures by other candidates were kept available in the web service of the oversight of election campaign funding for 30 days from the confirmation of the results of the elections. The disclosures were removed on 5 May 2023.

5.3 Election funding disclosures

Once the results of the parliamentary elections had been confirmed, the National Audit Office sent guidelines for filing the election funding disclosure to all persons subject to the disclosure obligation, i.e. the candidates elected as members of Parliament and those appointed as alternate members. The aim was to ensure that the election funding disclosures filed with the National Audit Office meet the requirements of the Act on a Candidate's Election Funding. The persons subject to the disclosure obligation were requested to file their election funding disclosures primarily electronically in the web service of the oversight of election campaign funding.

The last date of filing the election funding disclosure for the 2023 parliamentary elections was 5 June 2023. According to the Act on a Candidate's Election Funding, the election funding disclosure shall be filed within two months of the confirmation of the election results. The results of the parliamentary elections were confirmed on 5 April 2023.

In the 2023 parliamentary elections, the number of persons subject to the disclosure obligation was 273. Of them, 266 filed their election funding disclosure by the deadline of 5 June 2023. Thus, seven persons did not comply with the deadline laid down in the Act on a Candidate's Election Funding.

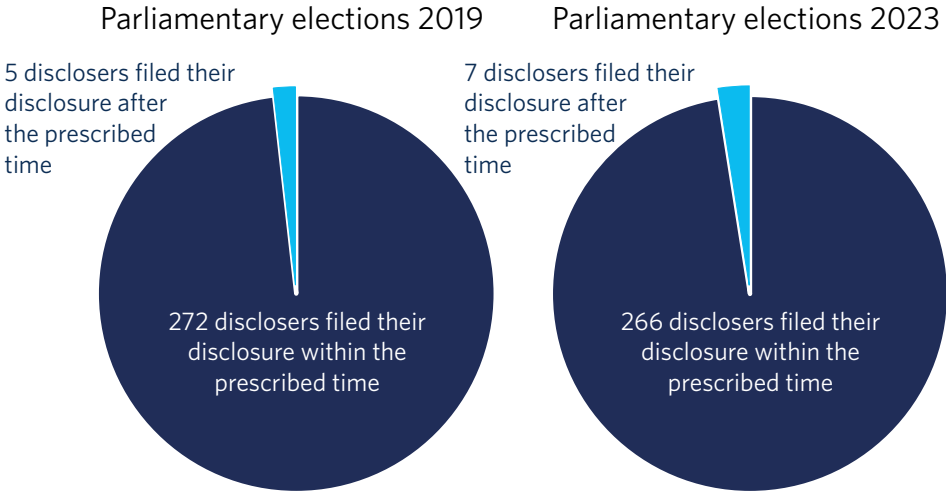


Figure 6: Late-filed disclosures in the 2019 and 2023 parliamentary elections.

On receipt of the disclosures, the National Audit Office examined whether the disclosures contained the information required under the Act on a Candidate's Election Funding and whether the information had been disclosed at the accuracy referred to in the Act.

The National Audit Office examined the election funding disclosures as soon as they were received and later on the basis of the campaign bank statements and similar information received from the disclosers.

5.4 Requests for additional information related to the election funding disclosures

The National Audit Office sent a request to all the 273 candidates elected as members of Parliament or appointed as alternate members to provide, by means of a campaign bank statement or similar means, such additional information and reports supplementing the disclosure that were necessary to verify the accuracy and completeness of the disclosure.

By means of the additional information received, the overseers strived to verify that the transactions in the bank statements had been duly disclosed in the election funding disclosures. By means of the bank statements, the overseers strived to verify particularly that the contributions from outside donors had been entered correctly in the election funding disclosures.

After examining the disclosures, the National Audit Office urged the disclosers, if necessary, to provide further information to supplement the disclosure, or to provide information corroborating the accuracy and completeness of the disclosure. The National Audit Office examined the election funding disclosures received both as soon as they were received and later on the basis of the additional information received.

One discloser did not submit their campaign bank statement or other similar information on their election campaign funding to the National Audit Office. The National Audit Office found that their election funding disclosure was formally correct, but it was not possible to verify the content of the disclosure.

If the discloser fails to provide the National Audit Office with the additional information or reports despite being requested to do so, the National Audit Office is not allowed to oblige them to do so under the Act on a Candidate's Election Funding.

For the purpose of verifying the accuracy and completeness of the disclosure, 261 disclosers submitted their bank statement and 11 disclosers provided other information or a report.

Based on the election funding disclosures and additional information received, the oversight team found that in the 2023 parliamentary elections, contributions had been received from a single donor for over the EUR 6,000 limit permitted by the Act on a Candidate's Election Funding.

Contributions had also been received from donors from which it is forbidden to receive them under section 4 of the Act on act on a Candidate's Election Funding (see Section 2.5). These contributions did not exceed EUR 1,500, which is the limit set by the Act on a Candidate's Election Funding for disclosing the value and donor of a contribution separately in the election funding disclosure.



The NAOF found that candidates had received forbidden contributions. However, the oversight of the limitations is outside its tasks but falls under political responsibility.

The National Audit Office is not responsible for overseeing the limitations on election campaign funding laid down in section 4 of the Act on a Candidate's Election Funding, but it also reports on the findings it has made in this respect during its oversight.

5.5 Supplementing the election funding disclosures

After the election funding disclosures had been processed and verifications had been made, 134 disclosers supplemented or corrected their disclosure at the request of the National Audit Office.

A total of 162 disclosures (59%) were supplemented or modified after they had been filed.

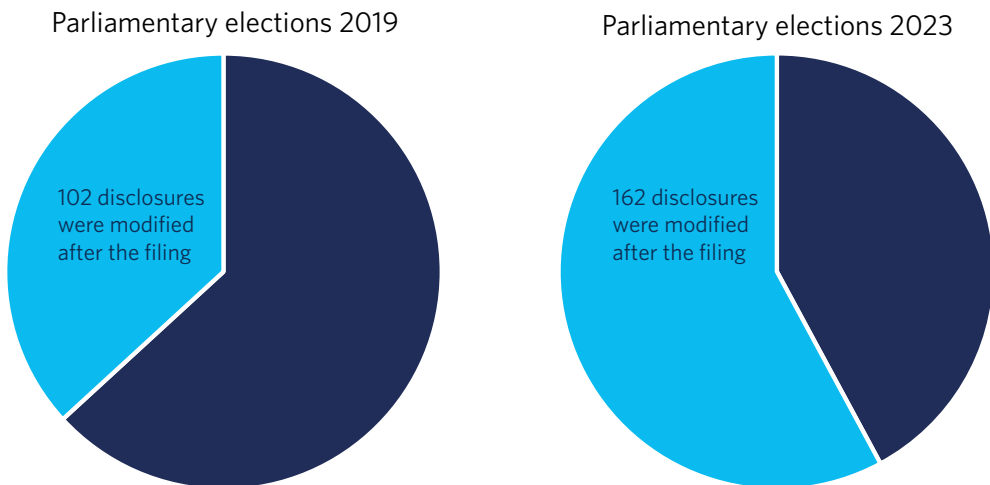


Figure 7: Disclosures supplemented or modified after the filing

One of the most typical errors (repeated in all elections) is the lack of information on individual donors. The donor should be specified if the contribution provided by the donor is at least EUR 1,500.

Sometimes returned contributions also cause changes to the disclosures. During the oversight, we found that several disclosers had, for one reason or another, wanted to return a contribution they had received on their campaign account to the donor either in full or in part. We dealt with each such case separately and obligated some of those who had returned contributions to indicate the donors in their disclosures. It would be unacceptable if we automatically accepted the return of contributions and could at worst lead to selection of donors afterwards. According to section 6(1)(4) of the Act on a Candidate's

Election Funding, the election funding disclosure shall indicate the election campaign funding both in total and itemised into the candidate's own funds, the loans taken out by the candidate (including invoices outstanding at the time of filing the disclosure), and all campaign contributions received by the candidate, the candidate's support group or other organisation operating exclusively for the purpose of promoting the candidate, grouped into campaign contributions from private individuals, companies, the political party, political party associations and other sources.

5.6 Obligation to report outstanding campaign loans after the election

If the person subject to the disclosure obligation or their support group has taken out a loan to cover the election campaign costs, the discloser should file a post-election report on the loan with the National Audit Office. The post-election report should indicate the amount of the loan and contributions received from outside donors for repayment of the loan if the value of the contribution is at least EUR 1,500.

In the 2023 parliamentary elections, 11 disclosers were obliged to file a post-election report (33 in the 2019 parliamentary elections). They should file their first post-election report in February 2024. The post-election report should be filed for each calendar year during the loan period in the parliamentary term to which the loan relates.

The obligation to file post-election disclosures only applies to loans for parliamentary elections, county elections and European Parliament elections.

5.7 Complaints about election funding disclosures

The National Audit Office has not received any complaints concerning the election funding disclosures in connection with the 2023 parliamentary elections.



6 Election funding in euros for the 2023 parliamentary elections

The aim of the Act on a Candidate's Election Funding is to increase the transparency of election funding and the amount of information on the candidates' possible ties to third parties. In addition, the Act aims to curb the increase in the candidates' campaign costs.

Based on the election funding disclosures, the oversight of election campaign funding compiled summary data in euros on the election funding in the 2023 parliamentary elections. The figures are based on the election funding disclosures of the persons subject to the disclosure obligation, i.e. the candidates elected as members of Parliament and those appointed as alternate members. Other candidates do not file the statutory election funding disclosure.

Compared with the 2015 parliamentary elections, the total funding of election campaigns has increased, as has also outside contributions for election campaigns. The average campaign costs have also increased from the 2015 parliamentary elections.

6.1 Total funding, own funds and outside contributions

Based on the election funding disclosures, the total election funding of the members of Parliament and alternate members in the 2023 parliamentary elections was EUR 10.5 million. Outside contributions received by the disclosers for their election campaigns amounted to EUR 7.8 million, i.e. 74% of the total funding. Of the total funding, EUR 2.7 million, i.e. 26%, consisted of the candidates' own and their support associations' funds and loans.

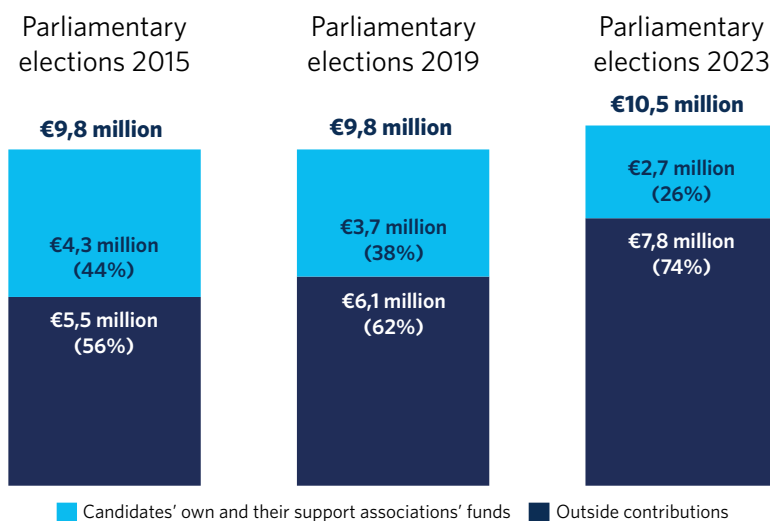


Figure 8: Election campaign funding of the persons subject to the disclosure obligation in the 2015, 2019 and 2023 parliamentary elections: own funds and outside contributions.

6.2 The donors of external contributions named in the election funding disclosure

One of the purposes of the Act on a Candidate's Election Funding is to increase the transparency of election funding and the amount of information on the candidates' possible ties to third parties. In parliamentary elections, the election funding disclosure should indicate an individual contribution and the name of the donor if the value of the contribution is at least EUR 1,500.

Based on the election funding disclosures, the candidates elected as members of Parliament and those appointed as alternate members in the 2023 parliamentary elections received a total of approximately EUR 7.8 million in contributions from donors outside the campaign. The donors named in the election funding disclosures accounted for approximately EUR 3.4 million (44%) of these outside contributions.

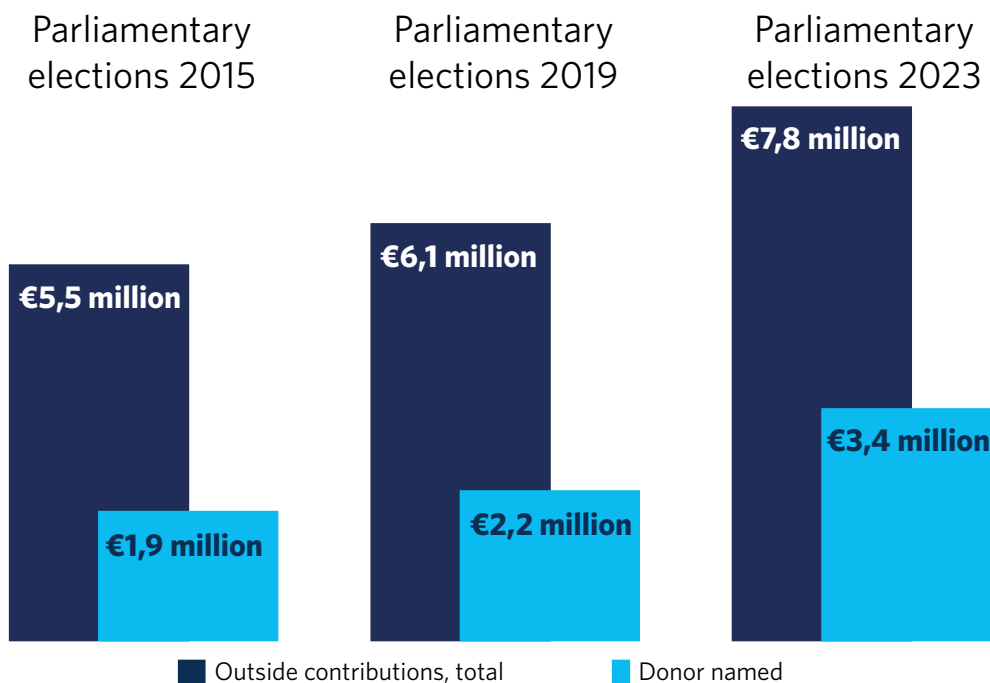


Figure 9: Election campaign funding of the persons subject to the disclosure obligation in the 2015, 2019 and 2023 parliamentary elections: total amount of outside contributions and the proportion of donors named in the election funding disclosures

6.3 Campaign costs

Based on the election funding disclosures, the campaign costs in the 2023 parliamentary elections totalled EUR 10.2 million. The average campaign costs of all disclosers were thus approximately EUR 37,540.

The purpose of the Act on a Candidate's Election Funding is also to curb the increase in candidates' election campaign costs. In the preparatory documents of the Act, it is stated that a continuous increase in campaign costs is not without problems in terms of the functioning of democracy. In practice, it limits the possibility of standing as a candidate without significant own funds or outside contributions.²²

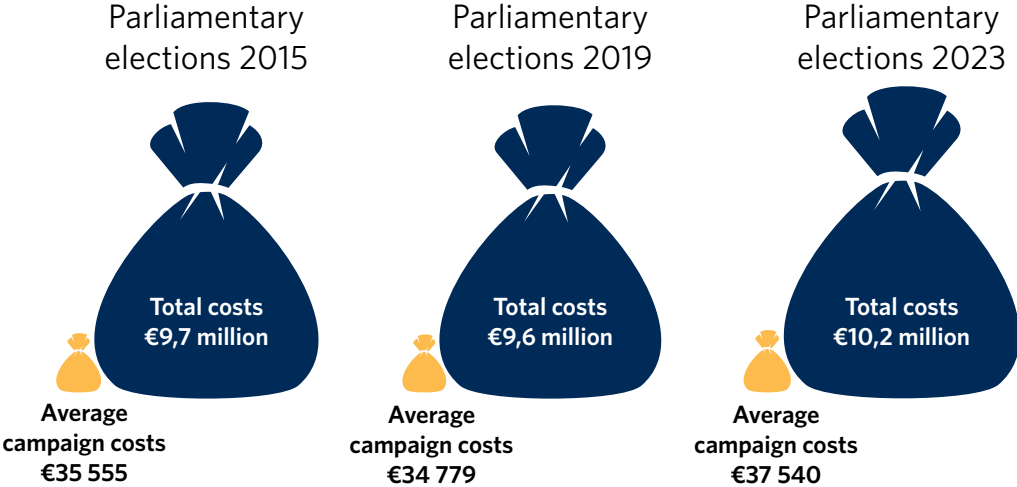


Figure 10: Election campaign funding of the persons subject to the disclosure obligation in the 2015, 2019 and 2023 parliamentary elections: total election campaign costs and average election campaigns (costs per discloser)

References



- 1 Act on the Openness of Government Activities 621/1999, section 24(1)(15).
- 2 Act on a Candidate's Election Funding 273/2009.
- 3 HE 13/2009 vp.
- 4 Report PeVM 2/2009 vp of the Constitutional Law Committee.
- 5 Act on a Candidate's Election Funding 273/2009, sections 5 and 10.
- 6 Act on a Candidate's Election Funding 273/2009, section 8.
- 7 Act on a Candidate's Election Funding 273/2009, section 11.
- 8 Act on a Candidate's Election Funding 273/2009, section 2.
- 9 Act on Political Parties (1969/8), section 8.
- 10 Act on a Candidate's Election Funding 273/2009, sections 3, 4, 6 and 11a.
- 11 Act on a Candidate's Election Funding 273/2009, section 6.
- 12 Act on a Candidate's Election Funding 273/2009, section 4.
- 13 Act on a Candidate's Election Funding 273/2009, section 4.
- 14 Act on a Candidate's Election Funding 273/2009, section 4.
- 15 Act on a Candidate's Election Funding 273/2009, section 6.
- 16 Act on a Candidate's Election Funding 273/2009, section 4.
- 17 Act on a Candidate's Election Funding, sections 5 to 8.
- 18 Act on a Candidate's Election Funding, section 4.
- 19 Act on a Candidate's Election Funding 273/2009, sections 8 and 10.
- 20 Act on a Candidate's Election Funding 273/2009, sections 6, 8 and 10.
- 21 HE 254/2022 vp.
- 22 HE 13/2009 vp.



VALTIONTALOUDEN TARKASTUSVIRASTO (VTV)
PORKKALANKATU 1, PL 1119, 00101 HELSINKI

puh. 09 4321 | www.vtv.fi | @VTV_fi