

Welcome to Oversight—Toolkit for Political Finance Institutions!

While most discussions about how to increase transparency and control over the role of money in political and electoral processes emphasize the importance of implementation, there are very few resources available to support this work in practice. That is why we have created this toolkit for political finance oversight institutions.

Oversight—Toolkit for Political Finance Institutions has been created to assist public institutions with a mandate to enforce regulations on political party and/or campaign finance. It aims to assist oversight institutions on all continents and in all situations in implementing their mandate. The issues covered vary from strategic and operational planning to key activities such as advisory services, control of received financial reports, handling issues of noncompliance, and the development of procedures.

Public institutions are the primary intended audience for this toolkit. It will also be of great utility to civil society activists and organizations focused on anti-corruption and providing oversight of the implementation of political finance regulations, as well as to legislators, journalists, and others. Our aspiration is for this toolkit to evolve based on your input and on future developments, with further information being added over time.

This toolkit has been designed to allow the user to focus in on whatever area is of greatest interest, but also to be an integrated resource that can guide political finance oversight institutions across all their work and the implementation of their mandate.

Oversight has been developed by Lisa Klein and Barbara Jouan-Stonestreet, leading political finance experts with operational experience of working with political finance oversight institutions in Europe and the United States, together with IFES Senior Political Finance Adviser and Director, Regional Europe Office Magnus Ohman. In addition, over 30 experts and implementers from over 15 countries contributed by writing sections, providing case studies, or undertaking reviews of drafts during the development of this toolkit (see our grateful [acknowledgments](#)). The involvement of experts from a wide range of countries has greatly added nuance to the information in the toolkit and to its applicability in many contexts.

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Part 1 Implications of the Legislative Framework for Oversight Institutions

This part of Oversight—Toolkit for Political Finance Institutions includes information about areas of political finance regulation. Since the toolkit focuses on the implementation of regulations, the main focus of this section is on the relevance and implications of different regulations for those working in public oversight institutions. It is not an exhaustive review of all issues that need to be considered when creating

regulations on political party and campaign finance. You can find more information about such issues in, for example, the [ACE project Encyclopaedia](#) and in International IDEA's [Funding of Political Parties and Election Campaigns: A Handbook on Political Finance](#).

1.1 International Standards

International standards are a set of principles defined in international/universal instruments and good practice guidelines. There are two distinct strands of international standards impacting on political finance: there is a series of international treaties and agreements that address **democratic participation** (for example, human and political rights) and another that focuses on **anti-corruption** measures. At the regional level, there are also standards for oversight, accountability, and enforcement [[see Standards relating to oversight, accountability, and enforcement.pdf](#)]

International standards, including regional ones, are important to understanding the scope and purpose of regulating political finance, as respect for fundamental rights needs to be balanced with the necessity to limit the negative impact of money in politics. They not only inform legislators in drafting laws; they are also important reference tools to guide oversight institutions in implementing political finance laws—whether through bylaws, enforcement policies and procedures, or reaching decisions in individual cases. As the [political finance oversight body](#), a solid understanding of international and regional standards and good practice will be very helpful in how you plan and implement your work. Do not expect much consideration to be given in these standards to the [enforceability](#) of political finance regulations.

The European Commission, in its [Compendium of International Standards for Elections, 4th edition](#), has classified agreed criteria or “benchmarks” based on their degree of importance (that is, standards, political commitments, or nonbinding good practice), their level of influence (that is, international or regional), and their region of application.

Below is an illustrative list of international and regional standards and agreements.

Universal/General Instruments

Paragraph 19 of the United Nations Human Rights Committee [General Comment No. 25](#) to Article 25 of the [International Covenant on Civil and Political Rights](#) (ICCPR) and Article 7.3 of the [United Nations Convention against Corruption](#) (UNCAC) 2005 call for reasonable limitations on campaign expenditures and the need for transparency in the funding of candidatures for public elected office.

General Comment No. 25, Paragraph 19

“Reasonable limitations on campaign expenditure may be justified where this is necessary to ensure that the free choice of voters is not undermined or the democratic process distorted by the disproportionate expenditure on behalf of any candidate or party. The results of genuine elections should be respected and implemented.”

UNCAC Article 7.3

“Each State Party shall also consider taking appropriate legislative and administrative measures, consistent with the objectives of this Convention and in accordance with the fundamental principles of its domestic law, to enhance transparency in the funding of candidatures for elected public office and, where applicable, the funding of political parties.”

Regional Instruments

Different regional institutions have developed a framework of commitments and standards for political finance regulation and supervision aiming at giving guidance for approaching and assessing political finance systems.

The 2003 [African Union Convention on Preventing and Combating Corruption](#)

Article 10

“Each State Party shall adopt legislative and other measures to proscribe the use of funds acquired through illegal and corrupt practices to finance political parties; and incorporate the principle of transparency into funding of political parties.”

The 2005 [Southern African Development Community \(SADC\) Protocol against Corruption](#)

Article 4.1.i

“Mechanisms to encourage participation by the media, civil society and non-governmental organizations in efforts to prevent corruption”

The 1996 [Inter-American Convention Against Corruption of the Organization of American States \(OAS\)](#)

Article 3.11

“Mechanisms to encourage participation by civil society and nongovernmental organizations in efforts to prevent corruption”

The 2001 [Inter-American Democratic Charter of the Organization of American States \(OAS\)](#)

Article 5

“The strengthening of political parties and other political organizations is a priority for democracy. Special attention will be paid to the problems associated with the high cost of election campaigns and the establishment of a balanced and transparent system for their financing”

The 2001 [Parliamentary Assembly of the Council of Europe Recommendation 1516 on the financing of political parties](#)

Article 7

“The Assembly believes that the rules on financing political parties and on electoral campaigns must be based on the following principles: a reasonable balance between public and private funding, fair criteria for the distribution of state contributions to parties, strict rules concerning private donations, a threshold on parties’ expenditures linked to election campaigns, complete transparency of accounts, the establishment of

an independent audit authority and meaningful sanctions for those who violate the rules.”

[Recommendation Rec \(2003\)4 of the Committee of Ministers of the Council of Europe to member states on common rules against corruption in the funding of political parties and electoral campaigns](#)

Preamble

“Considering that political parties and electoral campaigns funding in all states should be subject to standards in order to prevent and fight against the phenomenon of corruption”

[Recommendation CM/Rec\(2007\)15 of the Committee of Ministers to member states of the Council of Europe on measures concerning media coverage of elections campaigns](#)

Article I.6

“If the media accept paid political advertising, regulatory or self-regulatory frameworks should ensure that such advertising is readily recognizable as such.

Where media is owned by political parties or politicians, member states should ensure that this is made transparent to the public.”

Article II.5

“Member states may consider introducing a provision in their regulatory frameworks to limit the amount of political advertising space and time which a given party or candidate can purchase.”

The 2002 [Convention on the Standards of Democratic Elections, Electoral Rights and Freedoms in the Member States of the Commonwealth of Independent States \(CIS\)](#)

Article 10

“fair and open financing of elections, and election campaigns of candidates political parties.”

Article 12 includes guidance on sources of financing, reporting, monitoring, and sanctions related to political finance.

In addition to international and regional standards, there are a number of political commitments and good practice guidelines relating to political finance.

Political Commitments

As underlined by the [European Commission’s Compendium of International Standards for Elections](#), “political commitments may contain standards, but can be considered more of a political dialogue between the states concerned, the intention of which is not to make the standards binding at the level of international law.” While these are nonbinding, they shed light on and explain the aspirations and methods to be used in regulating political finance.

The 2003 [Statement of the Council of Presidents and Prime Ministers of the Americas on “Financing Democracy: Political Parties, Campaigns, and Elections”](#)

“regularizing, monitoring and enforcing standards of political financing to reduce corruption, promote citizen participation, and enhance political legitimacy of democratic institutions.”

The 1990 [Organization for Security and Co-operation in Europe \(OSCE\) Copenhagen Document—Document of the Copenhagen Meeting of the Conference on Human Dimension of the CSCE](#)

Article 5.4

“a clear separation between the State and political parties; in particular, political parties will not be merged with the State.”

Article 7.6

“To ensure that the will of the people serves as the basis of the authority of government, the participating States will [...] respect the right of individuals and groups to establish, in full freedom, their own political parties or other political organizations and provide such political parties and organizations with the necessary legal guarantees to enable them to compete with each other on a basis of equal treatment before the law and by the authorities”

The 2015 [New Delhi Declaration on Political Finance Regulation in South Asia](#)

Paragraph B1

“In order to strike a balance between the need for a healthy competition and the level playing field, the [political finance] regulations should be realistic, protecting every legitimate need of political parties, candidates and the citizens. These should take into account the realistic costs of campaign materials, services and advertising.”

Good Practice (Nonbinding Documents)

According to the [European Commission’s Compendium of International Standards for Elections](#), “good practice” refers to policy papers that certain state institutions/organizations are working on, or to draft conventions and declarations that have not yet been adopted and can therefore neither be considered as legally nor politically binding documents.

The 2001 [Southern African Development Community \(SADC\) Parliamentary Forum Norms and Standards](#)

Part 2.3

“In the interest of creating conditions for a level playing field for all political parties and promoting the integrity of the electoral process, parties should not use public funds in the electoral process. The electoral law should prohibit the Government to aid or to abet any party gaining unfair advantage.

Those countries that are not yet funding contesting political parties should introduce the necessary legislation to do so in order to foster uniformity and leveling the playing field.

There must be accountability in the use of public funds.”

Part 2.5

“In the interest of promoting and entrenching pluralism, multi-party democracy and the integrity of the electoral process, the complete independence and impartiality of the Electoral Commission in dealing with all political parties should be reaffirmed in the constitution.

To further enhance the independence and impartiality of the Electoral Commission it should have its own budget directly voted for by Parliament and not get its allocation from a Ministry or a Government Department.”

Part 3.6

“The Electoral Commission should therefore be legally empowered to prohibit certain types of expenditures so as to limit the undue impact of money on the democratic process and the outcome of an election. It should be empowered to ensure that proper election expenses returns are submitted on time, to inspect party accounts, and for parties to have properly audited and verified accounts.”

The 1994 [Declaration on Criteria for Free and Fair Elections of the Inter-Parliamentary Union \(IPU\)](#)

Article 4.1.3

States should *“Provide for the formation and free functioning of political parties, possibly regulate the funding of political parties and electoral campaigns, ensure the separation of party and State, and establish the conditions for competition in legislative elections on an equitable basis.”*

[Guidelines on the financing of Political Parties, Venice Commission of the Council of Europe \(European Commission for Democracy through Law\), 2001.](#)

Preamble

“the need to further promote standards in [the area of political finance] on the basis of the values of European legal heritage.”

[Code of Good Practice in Electoral Matters, Venice Commission of the Council of Europe \(European Commission for Democracy through Law\), 2002](#)

Article 108

“First of all, funding must be transparent; such transparency is essential whatever the level of political and economic development of the country concerned”

[Code of Good Practice in the field of Political Parties, Venice Commission of the Council of Europe \(European Commission for Democracy through Law\), 2008](#)

Article 38

“Party funding must comply with the principles of accountability and transparency.”

[OSCE Office for Democratic Institutions and Human Rights/Venice Commission Guidelines on Political Party Regulation, 2nd edition, 2020.](#)

Article 204

“Political parties need appropriate funding to fulfil their core functions, both during and between election periods. At the same time, the regulation of political party funding is

essential to guarantee parties' independence from undue influence of private donors, as well as state and public bodies, to ensure that parties have the opportunity to compete in accordance with the principle of equal opportunity, and to provide for transparency in political financing.”

[OSCE Office for Democratic Institutions and Human Rights, Guidelines for Reviewing a Legal Framework for Elections, 2nd edition 2013.](#)

Section 11.1

“Campaign finance is a difficult subject of regulation in elections, due to the balance that must be sought between minimizing disproportionate expenditures, which may undermine the free choice of voters, and the rights of freedom of association and expression, which often are exercised by donating money or services to a candidate or political party.”

[Reports of the Council of Europe's Group of States against Corruption \(GRECO\)](#) that encompass the assessment studies on transparency in political party funding in all 49 GRECO members.

1.2 Reasons to Regulate Political Finance

It is widely agreed that political parties play a vital role in democracy and need money to do their job. It is also well acknowledged that money can result in [undue influence and corruption](#), which, in turn, undermines the democratic process. Protection against corruption and undue influence is one of the key reasons to regulate political finance.

A second reason for regulating political finance is to ensure [transparency](#) about the source of party and election funding and how it is spent. Most countries impose reporting and transparency requirements as part of their political finance legislation. Transparency allows the public to know who is backing whom and about the spending decisions of political actors. This information can help voters decide how they will cast their ballots. At the same time, transparency is an important mechanism for deterring corruption.

As the oversight body, you are likely to shoulder responsibility for the implementation and enforcement of reporting and disclosure rules. It thus is vital that you understand the importance of ensuring timely, accurate, and meaningful disclosure of political finance data and deliver this area of your remit well. See further in the sections on the [publication of data, actions, and decisions](#), and on the [receipt and review of statutory reports](#).

A third rationale for regulating political finance is to provide equality of opportunity or a level playing field in electoral contests. Rules governing public funding, limits on the size of donations, and election campaign spending restrictions are legislative tools designed to help achieve fair competition. Of course, their effectiveness will depend largely on how well you, as the oversight institution, control compliance with the requirements set out in law. Effective control requires that you have solid policies and procedures for supervising and monitoring political finance. See the sections on the [receipt and review of statutory reports](#), and on [operational policies and procedures](#).

Finally, the fourth rationale for regulating political finance is to ensure proper accountability. There is no point in having rules if they are never enforced or enforced in a partial and unfair manner. This simply brings the entire system into disrepute. Once again, as the oversight body, your actions are essential to making the required accountability a reality. Depending on the jurisdiction, this will likely mean that you need mechanisms in place for handling issues of noncompliance, that your agency can undertake timely and credible [investigations](#), and that you impose (or recommend) proportionate [sanctions](#) where the law has not been followed.

1.3 Components of Political Finance Regulatory Systems

Political finance regulation can be boiled down to five key elements: donations, public funding, expenditures, transparency, and oversight/enforcement. Not every country includes all these elements in their legislation and not every country adopts the same rules for each element. Ideally, each country will adopt a regime that speaks to its relevant needs in regulating money in politics. It is thus critical to carefully examine the legislation in your own jurisdiction when considering your remit and how you will approach it.

Private Funding (Contribution) Restrictions

Some countries impose quantitative or qualitative restrictions on sources of political funding. There may be a [limit](#) on how much a permissible donor may contribute to a political party, a candidate, or both (quantitative limitations). This helps contain the influence of the wealthiest donors and thus protect the system against undue influence and help foster an even playing field.

The restrictions may include [bans](#) (qualitative limitations) on anonymous donations and/or on donations from foreign donors, corporate donors, trade unions, government contractors, public bodies, charitable/religious organizations, and/or minor children. Some countries ban all cash donations whereas others only ban cash donations above a certain threshold. In some jurisdictions, the law prohibits donations made in the name of another (for example, straw donors).

The bans on various donation sources serve a variety of purposes in terms of safeguarding the democratic process, as summarized in the following table:*

| Type of Donation Ban | Rationale |
|----------------------|--|
| Foreign Donors | To prevent external/foreign influence in domestic elections. To ensure a nexus between donor and the jurisdiction. |
| Corporations | To limit the influence of the economic marketplace over the political marketplace. To protect the independence of parties/candidates from special interests. |
| Public Entities | To avoid the misuse of public funds for political purposes. |

| Type of Donation Ban | Rationale |
|---------------------------------|---|
| Trade Unions | To avoid undue influence from special interest and to counterbalance bans on corporate donations. |
| Anonymous Donations | To ensure transparency of party funding and support monitoring and compliance with the law. |
| Indirect Donations/Straw Donors | To deter circumvention of other donation restrictions. |

* This chart is drawn from International IDEA's 2014 publication, [Funding of Political Parties and Election Campaigns: A Handbook on Political Finance](#), p. 21.

As the [oversight authority](#), you will need to consider how you are going to ensure compliance with the restrictions governing sources of donations. This may include:

- Determining what other state register(s) exist that will enable you to confirm the permissibility of a particular donor (for example, a civil registry to determine whether a donor is “foreign” or list of government contractors or social assistance registers to assist in determining whether the donation was made from the donor’s own funds). This is relevant when legislation includes qualitative donation limits.
- Developing a process for identifying and aggregating all donations made from the same donor to a political party or candidate to assess compliance with quantitative contribution limits.

Private funding also comprises membership fees paid by party members, candidates’ personal funds, and loans. A political party may even raise money through income-generating activities (for example, property rentals or the sale of publications). Contribution limits could be circumvented if other sources of financing, such as loans or membership fees, are not subject to the same limitation. You will need to include these other funding sources in your compliance program.

The section on [compliance control mechanisms](#) sets out more information about compliance measures you can take.

1.3.2 Public Funding

The introduction of a [public funding](#) mechanism is often triggered by one of several goals. Public funding has been introduced to offset the lack of private funding in countries without a tradition of private financial support for political parties or where growing disengagement of citizens has resulted in a decrease in private sources of funding. In other countries, public funding has been introduced to limit the influence of private money and to constrain its potential distortive impact on the political process. A more cynical view would attribute public funding as a means for political parties to fund themselves from the public coffers. At least theoretically, public funding aims to level the playing field, and thus enhance political pluralism, by facilitating access to the electoral arena for new or small political forces.

Public funding can be targeted to assist political parties and/or candidates to fund their electoral campaigns, or it can be targeted on non-election campaign activity such as office space and policy development. Public funding can also be used as a tool to help change political party behavior and foster inclusivity through supporting the participation of underrepresented groups, such as women, persons with disabilities, national minorities, and youth. Whatever the focus in your jurisdiction, there probably will be eligibility criteria that recipients must meet to receive funding and allocation criteria that determines the portion of funding recipients will receive.

Depending on your jurisdiction's laws, your role as the oversight body may require you to consider how you will:

- Determine whether an applicant meets the eligibility criteria to receive funding.
- Determine the amount of funding an applicant is entitled to receive.
- Ensure the funding is disbursed in time.
- Undertake controls to confirm that the funding was properly used.
- Take whatever measures are specified for withholding public funding and/or sanctioning the misuse of such funding.

1.3.3 [Expenditures](#)

If donation restrictions and bans address the supply side of political finance, spending restrictions can be seen as addressing the demand side. The theory is that it is possible to limit the need for ever-increasing amounts of funding by imposing limits and bans on how much money political parties and candidates can spend. Again, there are many variations on how to set spending limits. Some countries use average salaries as a guide; others use a formula that incorporates a base limit and then adds a specific amount per elector in the voting area.

For spending limits to be effective, the cap needs to be set at the right level. If it is set too high, it will be meaningless; if set too low, there will be temptation to circumvent it. What constitutes the correct level depends on the goal that the limit is intended to achieve and on the current level of spending. It is equally important for there to be clarity about what counts against the limit and to whom it applies (for example, to candidates only, to political parties only, to their combined spending, and to [third parties/non-contestant campaigners](#)).

In some jurisdictions there are bans on specific expenditures such as vote-buying (often handled by criminal prosecution) and on paid broadcast advertising.

As the [oversight institution](#), you may be called upon to:

- Set the spending limit.
- Provide clear definitions in secondary legislation as to what will count against the limit.
- Monitor compliance with the spending limits during the electoral campaign.
- Control whether the reported spent amounts are accurate and within the limits.

1.3.4 Transparency

[Transparency](#) of political finance is fundamental for accountability and preventing corruption in the political process. It is the backbone of any political finance regulatory system. First, it provides voters with information about who backs the various parties and candidates and how they spend their money. Second, it provides the oversight body with the information necessary for it to supervise compliance with the other substantive political finance rules. And, third, it is a means to deterring corruption.

As the oversight body, you are likely to shoulder responsibility for the implementation and enforcement of the reporting and disclosure rules. It thus is vital that you understand the importance of ensuring timely, accurate, and meaningful disclosure of political finance data and that you deliver this area of your remit well. [Civil society](#) also has an essential role to play in ensuring transparency in political finance. See more in the sections on the [publication of data, actions and decisions](#), and on the [receipt and review of statutory reports](#).

1.3.5 Oversight and Enforcement

There is little point in enacting political finance regulation if the rules are then not enforced. While oversight and enforcement responsibilities rest with different types of oversight bodies across the globe (ranging from election management bodies to auditing and anti-corruption agencies to ministries and to courts), they ideally share key characteristics:

- Supported by a robust legislative framework.
- Independent (for example, in the appointment process, funding stream, and powers).
- Have established and be guided by strategic and operational frameworks.
- Capable of exercising political will.

Political finance oversight institutions should also consider the [Autonomy and Accountability Framework](#) that IFES has developed for independent governmental institutions.

[Part 2](#) of this toolkit addresses in depth how you can develop your strategic and operational frameworks and [Part 3](#) identifies and provides insights into how to deliver your oversight and enforcement functions.

1.4 Emerging Legal and Regulatory Issues

Regulating political finance raises numerous and significant challenges. Legislation must be appropriate for the political and legal context of each individual country. Therefore, the combination of the [different building blocks](#)—that is, the rules on sources of financing, [expenditure](#), [transparency](#), and oversight—is unique to each country. While each country aims to adopt a regime that speaks to its relevant needs in regulating

money in politics and that reflects its cultural, historical, and practical considerations, all countries have been faced with common emerging issues, such as [third-party campaigning](#), [social media advertising](#), and the use of [cryptocurrency](#) during election campaigns. This is also the case for some issues that have been considered in many legislative frameworks for decades (for example, foreign funding) or where changing circumstances may have created new or increasing loopholes (for example, cross-border advertising and new forms of international financial transactions). From a regulatory perspective, the goal is pretty much the same as regards **these issues**: tracking the amount of money spent by third parties on campaigns (and notably political advertisements) and tracing the funding to its source.

1.4.1. Third Party or [Non-Contestant Campaigning](#)

(based on IFES Political Finance Discussion Series—Transparency Serbia)

Election campaigning is most often associated with the activities of political parties and candidates to get elected, and election finance regulation generally focuses on these direct participants. Increasingly, however, other individuals and organizations have entered the election arena to campaign in favor of or against particular issues, candidates, or political parties. They do not stand for election themselves, they do not put forward their own candidates, and sometimes they are not formally associated with candidates or political parties. This form of electioneering is called “third party” or “non-contestant” campaigning.

Although non-contestant financing of election campaigns can be done in coordination with candidates/political parties, it is usually defined as campaign expenditures made independently of a party/candidate with the aim of promoting or opposing a candidate or party, directly or indirectly. The focus here is on non-contestant involvement undertaken independently.

Some countries have a long history of companies and other organizations campaigning to influence the outcome of elections. They may organize a campaign to support or oppose a particular party/candidate in order to protect their financial or **philosophical** interests.

The involvement of non-contestants as an expression of political pluralism and citizen involvement is not generally a negative phenomenon, and it is in line with [international standards and regional agreements](#) on democratic participation. The 1996 [International Covenant on Civil and Political Rights](#) recognizes that citizens have the right to participate “in the conduct of public affairs, directly or through freely chosen representatives” (Article 25). At the European level, the Organization for Security and Co-operation in Europe’s [Copenhagen Document](#) of 1990 addresses participatory rights of citizens and affirms the fundamental freedoms of expression, the press, assembly, and association. The [European Convention for the Protection of Human Rights and Fundamental Freedoms](#) expressly recognizes these fundamental freedoms may only be subject to certain restrictions “as prescribed by law” and “necessary in a democratic society” (Article 10). As stressed by the OSCE Office for Democratic Institutions and Human Rights and the Venice Commission’s [Guidelines on Political Party Regulation](#),

“[t]hird parties should be free to fundraise and express views on political issues as a means of free expression, and their activity should not be unconditionally prohibited. However, it is important that some forms of regulation, with comparable obligations and restrictions as apply to parties and party candidates, be extended to non-contestants that are involved in the campaign, to ensure transparency and accountability” (Paragraph 255).

In recent years, the frequency and magnitude of such spending has increased. This raises a number of concerns in countries where it is not regulated:

- It may open the door to circumvention of rules for candidates/parties. For example, the funds used by unregulated non-contestants may be derived from impermissible sources (including foreign sources), the size of contributions to support the election activity may exceed donation limitations, and the amount spent may be not subject to any expenditure limit. When social media platforms are used, their policies may contravene domestic advertising regulations.
- It may diminish the voice of the actual candidates/parties in the electoral context and make the playing field less level. Non-contestant campaigning may impede the outreach activities undertaken by electoral contestants or blur the messages of some electoral contestants by competing with and outspending them.
- It may diminish the level of transparency since the source of funds used, the amount spent, and the identity of suppliers remain cloaked in secrecy. As a result, and depending on the regulations that are in place, it can be virtually impossible to hold relevant actors accountable.

A total ban on non-contestant advertising would not likely be acceptable in most countries and jurisprudences, such as in Europe and North America. According to [International IDEA's political finance database](#), 55 out of 139 countries for which data is available have adopted third-party regulations in the form of bans or limits. Each aspect of non-contestant regulation raises a series of questions that warrant serious consideration. For the OSCE countries, the various non-contestant regulations and requirements are well summarized in the [Note on Third Party Regulation in the OSCE Region](#).

As an [oversight institution](#), you may find that the introduction of legislation on non-contestant financing may increase transparency of the flow of money through the political process, and thus increase the comprehensiveness of political finance oversight. This may increase public confidence in the regulation and oversight process. On the other hand, adding oversight of non-contestant campaigning to your remit is likely to require a significant increase in resources for your institution, the development of new procedures, and adding new staff skill sets.

1.4.2. Social Media Political Advertising

(source IIIDEM project—2021)

Political advertising can be broadly defined as any advertisement run by a political/electoral contestant or by a non-contestant to influence opinion in support of, or

in opposition to, a political/electoral contestant during an election campaign (or during a referendum campaign). While electoral contestants (and third parties) have the right to disseminate political ideas in accordance with the right of freedom of expression, political advertising may be subject to reasonable limitations through regulations pertaining to advertising expenditure levels or reporting as well as through disclosure requirements to ensure political finance transparency and accountability. The main campaign finance issue in that regard is to ensure that social media communications are identified as electoral expenditure and that they are financed through identifiable and lawful sources so as to guard against foreign or other illegal interference in the electoral process. For an introduction on regulations of social media advertising, see IFES's 2021 [*Lessons for Regulating Campaigning on Social Media*](#).

In a significant number of countries, political advertising is banned in broadcast or print media during all or some of the election campaign period. However, in most countries, social media political advertising is unregulated. Digital campaigning has become one of the most effective campaign tools used by electoral and non-electoral contestants and the surge in digital spending has been accompanied by attempts in different countries to increase the transparency of online political advertising through the adoption of regulations imposing the identification of the payer.

Social Media Platforms

Social media companies have adopted blanket self-regulatory measures that vary by platform: Twitter has banned all political ads on its platform, and Google (which owns YouTube) and Meta (which owns Facebook and Instagram) expect advertisers to comply with domestic regulations. Some social media platforms maintain ad libraries/archives and provide application programmatic interfaces (APIs) that can be used to access and collect data. Depending on the platform, different types of information can be accessed and scraped, such as target audience and ranges of prices for ads run. Moreover, in some countries, Facebook and Google also require advertisers that seek to run political ads to register, and they reserve the right to remove political ads run by unregistered advertisers. In Canada, online platforms that meet the definition set out in the Canada Elections Act (CEA)—“an Internet site or Internet application whose owner or operator, in the course of their commercial activities, sells, directly or indirectly, advertising space on the site or application to persons or groups”—must keep and publish a digital registry of all regulated ads and the name of the person who authorized the ad. All ads must be included in the registry on the day they are first displayed. The CEA requires an ad registry when the following monthly visit thresholds are reached:

- For platforms mainly in English: three million unique visitors in Canada in a month.
- For platforms mainly in French: one million unique visitors in Canada in a month.
- For platforms mainly in a language other than English or French: 100,000 unique visitors in Canada in a month.

Social media platforms should be fully involved with any legislative initiative aimed at raising digital awareness in order to ensure that all advertisers are educated on

domestic political advertising regulations, as some platform policies may conflict with domestic regulations. Such initiatives could be, for instance, to:

- Ensure that social media platforms set up archives/ad libraries containing all political advertisements for specific time periods, accompanied by an accurate cost for each advertisement by electoral contestant.
- Put in place controls to check that the account administrator who runs and pays for advertisements is actually based in the country.

Social Media Monitoring

The main challenge posed by digital political advertisements is the partial or inadequate control of electoral activity on social media platforms. In countries where campaigning on social media is unregulated, advertising on platforms raises concerns regarding the sources of financing behind the payment of such ads and the possibility to circumvent donation limits and/or bans. Moreover, in countries where social media platforms do not maintain advertising archives and/or where unregistered advertisers can run advertisements, it is challenging to monitor those advertisements and impossible to assess total social media advertising expenditures.

The increase in digital spending has been accompanied by attempts in different countries to increase the transparency of online political advertising, such as requiring all campaign electoral actors to identify who sponsored or paid for advertisements through the use of a “digital imprint” or “disclaimer” in order to ensure compliance with campaign finance regulations, or to provide detailed and meaningful invoices from and/or contracts with their digital suppliers. In countries where ad libraries exist, such archives enable a degree of scrutiny of political advertising and allow the oversight body, as well as civil society organizations and journalists, to identify potential violations of campaign finance regulations. Social media monitoring can be partially outsourced by the oversight body (as in Lithuania) or done by civil society organizations (as in Croatia) and through innovative approaches (as in the Netherlands) (see [Social media advertising.pdf](#)).

Given the increased use of social media for political advertising, it is likely that regulatory systems that do not address this issue will be seen as outdated and not fit for purpose by the population in many countries. Regulating the issue may increase the relevant information available and increase trust in the system, and also in your work as an oversight institution. However, regulating social media also carries challenges for oversight institution, not least in getting timely access to relevant information from social media companies. Your institution should make sure that it is closely involved in any discussions about legal change in this area, to ensure that any provisions introduced are possible to implement in practice.

The Carter Center has published [Monitoring Online Political Advertising: A Toolkit](#) to guide election observation missions’ analysis of online political advertising, notably on social media platforms. This document provides tools and techniques to analyze domestic regulations, and it also provides tactics to better identify accounts that run political advertisements on social media platforms, as well as to monitor and collect

information about such advertisements with a view to formulating recommendations for institutional and noninstitutional stakeholders.

1.4.3. Cryptocurrency

The use of cryptocurrency in political finance is an emerging issue that calls for better regulatory consideration. While this technology can be used to enhance political finance transparency and accountability, it can also pose new challenges. Depending on their design, some cryptocurrencies could make it almost impossible to identify the source and destination of transactions. They could be used to circumvent some political finance regulations, such as donation bans. The main policy concerns regarding the use of cryptocurrency are anonymity, volatility, and lack of oversight.

As IFES has [noted](#), “cryptocurrency political donations and non-fungible tokens (NFTs) open new avenues for corruption in elections. The volume of cryptocurrency transactions globally has exploded in recent years, though illicit crypto transactions are estimated at \$14 billion (USD), a drop in the sea of illicit physical currency. What constitutes “illicit” transactions in this sphere is largely undefined, however, and the alacrity and sophistication of malign actors is likely to vastly outpace the ability of democratic actors to respond to them. It would be dangerous to ignore the potential impact of unregulated cryptocurrency and its digital kin on democratic elections.”

Cryptocurrency [refers](#) to virtual currencies that operate in a decentralized manner and employ blockchain technology to track transaction history and other related information. They are by definition not associated with any banking institutions or governments, and they can increasingly be used in the same way as traditional currencies. Blockchain technology [“provides proof of who owns what at any given juncture. This distributed ledger is replicated on thousands of computers—bitcoin’s \[and other cryptocurrency’s\] ‘nodes’—around the world and is publicly available.”](#) Blockchain is considered to be an incredibly secure form of cryptography where the transaction history provides its [own unique signature to avoid duplication](#).

There are several important considerations for cryptocurrency’s application in the political finance realm, most notably regarding issues of anonymity, fluctuations in value, and environmental concerns related to crypto “mining.”

Concerns about the anonymity of cryptocurrency users raises potential challenges for its widespread use in the political finance arena. In tandem with its decentralized nature, anonymity is considered [central to cryptocurrency’s DNA](#). Individual owners typically have some type of identifying user number but that is not necessarily attached to a real-world identity. This might change eventually as efforts to find the identity of individuals or groups behind cryptocurrency holdings increase. For example, the U.S. Federal Bureau of Investigation used blockchain ledgers to seize part of the ransom paid to hackers as part of the [Colonial Pipeline Incident](#) in 2021, raising questions about whether cryptocurrency could be truly anonymous.

Additionally, the value of cryptocurrencies can fluctuate wildly. For example, in 2010, a unit of Bitcoin, the most popular cryptocurrency, was priced at around \$0.09 (USD). In 2021, Bitcoin reached an all-time high of \$64,000 (USD) per unit, before crashing to

below \$30,000 (USD) per unit in [that same year](#). This volatility poses a challenge for determining the value of a unit of cryptocurrency, and thus for enforcing limits on political finance spending.

Overall, the likely continuing rise in the widespread use and popularity of cryptocurrency will have implications for political finance.

Policymakers and electoral management bodies are often too slow to react to digital challenges such as the regulation of technologies (for example, social media and big data analytics) and underequipped to deal with them appropriately.

As with regulating third-party campaigning and social media advertising, introducing regulations on the use of cryptocurrency in political campaigning can make the oversight process more relevant in the current climate in many countries, and may increase popular support of your work as an oversight institution. A main challenge may simply be to understand the issues and technology involved, and you may well wish to consult experts on this topic at an early stage if the question of regulating the use of cryptocurrency in campaigning arises.

Part 2 Strategic Framework and Planning

This part of Oversight—Toolkit for Political Finance Institutions assists [oversight institutions](#) in making sure that they have the strategic framework and planning in place to deliver effective oversight of political party and campaign finance. We strongly encourage you to give adequate attention to strategic and operational planning. These preparations take time but the effort will prove essential to your success in tackling the challenges in controlling the finances of political parties and [election contestants](#).

Once you have considered the [rules governing political finance](#) in your jurisdiction, you next need to develop a strategic framework. The strategic framework will connect the legal framework within which you operate to on-the-ground implementation of your activities. A solid strategic framework will not only give life to the legislation; it will also enable you to deliver your oversight role in a more professional, proactive, and effective manner.

Political finance institutions come in various forms and structures, which will impact on how you set your strategy. The approach outlined below contemplates an agency set up with a chair and group of board members who, as a board, set the institution's overall policy. Of course, in other cases one individual may be responsible for all aspects of the institution with assistance provided by a senior executive team. For our discussion, we use the term “board” to mean the person or group of individuals who decide the overall strategic framework for the institution.

Your strategy will stem from future-focused conversations with the board about what the main aim of the organization should be over the next few years. Achieving a high level of compliance with the law is a common aim among political finance oversight institutions but it far from being the only one. Whatever the key aim is for your organization, it will require a clear vision for the future—a powerful and succinct

statement of how you want the world to be, with a set of medium- to long-term objectives you believe will deliver that vision.

Your strategy will also include an indication of the methods and tactics you will employ to achieve your goal. However, your strategy should be aspirational rather than operational. For example, you may include references to education and stakeholder engagement as methods and tactics to achieve a high level of compliance.

A written strategy is essential. But good planners also see strategy as a constant activity—something dynamic you are always doing as you observe changes in your environment and work out ways to respond to them. Having a strategy and vision to guide you is extremely important, but your strategic mindset should not end on the day of its publication. Strategy is a way of thinking about shaping the future, every day—it is not just a document.

What Is a Strategic Framework?

A strategic framework captures in one place your organization's strategy, aims, activities, and ways of working. It sets out the architecture within which your oversight institution will operate and gives a blueprint for the successful delivery of your political finance aims.

As well as core elements such as your organization's purpose, your framework may include an articulation of the legislative and governance framework within which you operate, and a map of your operating environment, stakeholders, and drivers. It should also describe how you are resourced and how you measure progress and success.

Why Is It Important To Have a Strategic Framework in Place?

It is a key tool that will put you in the driving seat.

It is an empowering tool, when used well, and provides some great communication assets. It also is essential for transparency and reporting purposes. Transparency is central to most political finance regimes and, as the oversight institution, you are uniquely well positioned to model transparency and accountability.

Capturing a clear expression of your organization's purpose, vision, and positioning will help you to plan more effectively, which in turn will help you to deliver benefits. Your framework will also provide guidance about how you run your organization.

A "golden thread" should run through your framework. Your purpose and vision should inform your aims, your values, and your decision-making, so that these are aligned. This will greatly increase the likelihood of your efforts leading to success as an effective political finance oversight institution and of your staff seeing a clear link between their work and the overall vision.

Your strategic framework should not be sitting somewhere in isolation. It should be a "go to" resource that is consulted frequently and updated regularly.

How To Develop a Strategic Framework

There is no single approach to developing a strategic framework. Each organization has its own starting point, its own culture and frame of reference, and its own preferences.

Some organizations choose to create their strategic framework in a single document, summarizing or referencing other documents. Others treat the framework as a suite of documents with an overarching contents page and executive summary, kept in one folder or location. This is a matter of choice. If you opt for the summary document method, make sure you have a process in place for reviewing and, if necessary, updating the summary document whenever related documents are updated.

The following diagram shows the elements that make up a strategic framework, which are discussed below.

2.1. Components of a Strategy

2.1.1.1. Vision or Mission

Some organizations have an overall mission statement or “strapline” that describes their purpose in a clear and concise sentence. This may exist over and above the current strategy—it may be a permanent feature on letterheads, for example.

Other organizations use the words “vision” and “mission” interchangeably, meaning much the same thing—an aspirational statement encapsulating the difference you hope to make in the world over the next few years.

Others have a vision as well as a mission statement. In these cases, the vision statement is the aspirational statement about the desired future state while the mission statement is a one-sentence expression of how (in general) the organization endeavors to make a difference in the world. A mission statement may therefore relate closely to your organizational purpose.

For more about developing a vision or mission statement as part of a strategy, see the section on [planning](#).

For examples of vision and mission statements, see [Examples of vision and mission statements.pdf](#).

2.1.1.2 Operating Environment

Any organization’s work has a wider context. An operating environment analysis should be conducted periodically, and especially when formulating a new strategy. It may be useful at other times too: for instance, if there are major changes in your operating environment (such as legislative proposals to change the law) or if there are future “known unknowns” (such as an emerging change in campaign advertising strategies) and you need to do some horizon scanning to enable you to do some scenario planning or risk management.

There are two main types of environment analysis: PESTLE and SWOT:

- A PESTLE analysis looks outward from the organization, assessing the political, economic, social, and other external factors all around it.

- A SWOT analysis is more inward-looking and helps to gauge the organization's current strengths, weaknesses, opportunities, and threats.

It is a good idea to conduct an environmental analysis at regular intervals. This will ensure that your organization remain forward-looking and relevant, makes the most of its opportunities, and takes risks in a calculated way.

For an example of environmental analysis tool, see [Environmental analysis tool.pdf](#).

For a blank template for an environmental analysis tool, see [Environmental analysis tool - blank template.pdf](#).

2.1.1.3 Objectives

Your medium- to long-term objectives in implementing your political finance mandate will stem from strategic thinking about your future operating environment, key drivers, and likely politico-social developments in your sphere of influence. What will it take to make your overall vision a reality? What will be the main areas of focus and the changes that need to be brought about?

These objectives will form a key part of your strategy. You should set no more than six high-level objectives that you believe will collectively lead to the realization of your vision by the end of the strategic period you have set. For example, if your vision is to achieve high levels of compliance with the political finance legislation, your medium- to long-term objectives might include developing a range of advisory services and training initiatives for the regulated community. Similarly, if your vision centers on ensuring transparency of political party funding, your medium- to long-term objectives might include the development of an electronic filing and reporting system.

At other levels of planning, you will turn these objectives into much more detailed short-term plans. But in the strategy you are setting out a dream of a better future, with a broad indication of how you will achieve it—this is not the place for details. So, in the examples given, the details of the advisory services and content of training initiatives are not delineated in the strategy, nor are the type and scope of the electronic database specified.

If your oversight institution has been in existence for some time, your strategic thinking process may lead to changes in vision and objectives. If so, you will want to consider whether there are activities that you might stop doing and the implications for staff, stakeholders, and other strands of your work.

Because you are not going to include a great deal of operational detail in your strategy, it is important to carry out a “reality check” of your objectives before signing off on it. This means leaving enough time for your staff to discuss how each objective could be delivered within the time and resources available, and to share this information with the board, formally or informally. This “unpacking” conversation will give your staff a better understanding of the new strategy while it is still in development, it will give your board insight and assurance, and it will provide a good foundation for the more detailed operational planning that will flow from the finalization of your strategy.

Like all objectives, they should be SMART—specific, measurable, achievable, relevant and timely (see [How to write SMART objectives.pdf](#)).

2.1.1.4 Success Indicators

When setting a strategy, it is important that the board develops a shared understanding of what it thinks success for a political finance institution will look like, and to include information about this in the strategy. This is a way of sharing your idea of success and making yourselves accountable against it. How will you and others know when you have succeeded? Are there some measures you could set or milestones you could describe that would enable you to demonstrate progress along the way? What will be different when you have achieved each objective, and what will be different when your whole vision has been realized?

Success indicators should ideally be quantitative—but it is important to remember that not everything that can be measured is meaningful and not everything that is meaningful can be measured. It may make sense for some of your objectives to include success indicators that are qualitative, where the data will be descriptive and conceptual, rather than solely numerical.

For more information about setting key performance indicators (KPIs), please see the [section on performance management](#).

For information about benefits realization, please see the [section on project management](#).

2.1.1.5 Developing a Strategy

Strategy development requires time and the space to think big. There needs to be adequate opportunity for group discussion at the most senior levels of the organization—discussions that allow for horizon scanning rather than a focus on detail. Time is also needed to consult and seek input from the heads of operational units. Before you embark on the substantive work, it is advisable to have clarity on the process—on who will facilitate group discussions, where should workshops be held, who will formulate the initial draft of the strategy, and what stakeholder consultation will be undertaken, etc. The following chart summarizes the various stages of the process.

2.1.2 Organizational Aims

The purpose of a political finance oversight institution may seem obvious, namely to oversee the rules governing political finance. While this is true, your organization will benefit greatly from thinking about its core values or ethos and the principles that will guide you in how you perform your work. Will you want to adopt a culture of continuous improvement for your organization? Do you want to try to prevent violations from occurring or simply enforce the rules stringently? The decisions you make about such matters are important; they will help inform which activities you undertake and how you approach them.

2.1.2.1 Purpose and Remit

Your organization's purpose should explain why you exist. Specific legislation (or sometimes the constitution) generally sets out the political finance oversight body's purpose. In many countries, however, the political finance remit is just one of many conferred upon a particular organization (for example, an election management body, an anti-corruption agency, or a state audit office) and the political finance oversight role may not be sharply defined. Even where documents do address this role, they may use lengthy phrases and jargon, so it is a good idea to have a concise, easy to understand, statement of purpose that makes clear what the core reason is for your existence. This can help you to stay focused as well as providing clarity for your staff and external stakeholders.

As well as a short statement of your purpose, you should include accompanying text about why and how your organization was formed in the first place, and what needs it meets.

It is also worth recording any statutory obligations and whether there are limits on or exclusions in your remit (for example, you may regulate only the finances of political parties but not those of candidates), whether there are areas of overlap or interface with other bodies (perhaps the state audit office oversees public funding), or whether you are working to expand your role. Some commentary on such matters may be helpful, especially if you sometimes find that others have misapprehensions about your organization's role and remit.

For hints and tips on how to develop your organization's purpose and remit, see [Developing your organization's purpose and remit—hints and tips.pdf](#).

For an example of statement of purpose and remit, see [Example of statement of purpose - remit.pdf](#).

2.1.2.2 Organizational Values, Principles, and Culture

You may already have documents such as a staff charter or a set of agreed "ways of working" and values. This will set out the principles and values that are seen as important within your organization, and it will provide a guide for institutional decision-making and staff behavior. Having a written statement of "what is important to us" and "the way we do things around here" can help everybody to perform at their best.

This is particularly true for political finance oversight institutions that, in essence, are the referee for the financing of electoral contests that determine who will govern the country. It is not surprising that the principles of impartiality, objectiveness, independence, and transparency often appear in oversight institutions' statements of values, principles, and culture.

It is a good idea to have regular conversations with your staff about your principles and values to ensure that everyone understands what is expected of them and has a chance to air new suggestions. Creating a values statement is often *led* by your human

resources team, but it is important that it is seen as *belonging* to everyone. This can be achieved by engaging with staff during its development.

Some hints and tips for the creation of your organizational values, principles, and culture:

- Consult and communicate with staff about your values, principles, and culture—only they can bring it to life.
- It is fine for your human resources team leader to take the lead in developing a values and culture document, so long as they ensure there is buy-in from everyone for the end result. To achieve this, they will need help from other organizational team leaders to generate the content and to consult and engage with staff effectively.
- It is worth thinking of ways of recognizing and rewarding those who best model your organizational values, principles, and culture.

For examples of organizational values, principles, and culture, see [Examples of organizational values, principles and culture.pdf](#).

The chosen values and principles should reflect not just how you work together internally as a team, but also the way you work with other organizations and stakeholders to achieve the best possible outcomes.

2.1.2.3 Corporate Plans

Corporate plans set out in more detail what you are planning to do to realize your organizational vision and to deliver your purpose. Your corporate and other plans are led by your strategy, but will be more operational in nature, since they will set out the activities, projects, and timelines for individual pieces of work. See the [section on planning](#).

2.1.3 Operational Infrastructure

Your organization will have a particular shape, size, and composition. It will have a structure that suits your functional needs. This consists not only of your workforce, however, but also of your IT infrastructure and your key external relationships. These things—your staffing structure, your stakeholder relationships, and your IT system—form the central spine of your capability to operate. You may also have particular policies and sub-strategies relating to them as well as other documents such as an organogram (a diagram showing how your departments are structured) and a stakeholder map. It is worth drawing these elements together into a cohesive whole in your strategic framework—they are central to your organization running smoothly.

2.1.3.1 Organizational Structure and Workforce Plan

Regardless of its size, your organization will have a structure—be that a single office or a network of regional locations, or multifunctional. It is useful to have a diagram showing

the structure and divisions. If your organization is complex or dispersed, you may wish to go further in this section and discuss why it has taken the shape it has, or how the structure serves your organizational purpose.

Your workforce or staffing plan will set out how you intend to resource your delivery in the medium to long term. As such, it should be reviewed whenever you begin a major round of planning or when you encounter change. Your workforce plan may be simple and focus mainly on retaining the staff you need in order to fulfill your role; or it may be more complex, setting out how you plan to reshape your staffing structure over time in order to meet new needs, such as adapting to changes in political finance legislation or to new technologies (for example, e-filing databases).

For political finance institutions, the workload can be cyclical, peaking first in the run-up to elections with a second peak around the time campaign finance reports are submitted. The workforce plan should address how you intend to address these known peaks.

Some hints and tips on how to develop your organizational structure and workforce plan:

- Your organization's structure will be more or less complex depending on its size, the number of its functions, and the number of its offices/branches.
- It can be a very simple diagram showing only departments or it can show more of the hierarchical detail. This will depend on who needs to see it and how you are going to use it.
- Your workforce plan should set out how you will match skills and capacity to your ambitions. It will also address future changes (for example, in your operating environment or in society) that will have an impact on your human resource needs over time.

For examples of organograms and workforce plans, see [Examples of organograms and workforce plans.pdf](#).

2.1.3.2. Stakeholder Map

You are likely to maintain a range of collaborative and information-sharing relationships with other bodies. Some of them will be important allies in reaching your strategic vision, such as prosecutorial authorities who will take forward cases of wrongdoing or governmental departments that can provide you with relevant information about donors to ensure the legality of contributions.

In some cases, you may have formal written agreements with such bodies about ways of working on certain matters (for example, memoranda of understanding). There may even be contractual arrangements if you or they perform a service on the other's behalf.

It is worthwhile mapping out your various stakeholders, to assess their level of interest in and influence over your work. Your stakeholder map should be reviewed regularly, since the landscape in which you operate will change over time and new stakeholder groups may emerge—for instance, new civil society groups that focus on anti-corruption

and political finance. Also, some organizations are now involving social media “influencers” with an interest in relevant subjects in policy discussions; see the [section on stakeholder engagement](#).

Some hints and tips regarding stakeholder mapping:

- Most of your stakeholders will be organizations or individuals with whom you want to have a productive relationship.
- You may also want to develop a stakeholder relationship with those who may sometimes be critics (for example, media organizations or political entities).
- You may want to categorize your stakeholders according to the amount of interest and influence they have in your area. This will help you to prioritize which ones to invest the most energy in.
- It is worth reviewing your stakeholder map once a year, or whenever your external landscape has changed. This will help you to ensure that you do not miss new opportunities, or overestimate or underestimate the influence of particular stakeholders, since this can change over time

2.1.3.3 Communications and Stakeholder Engagement Strategy

You may have a communications and/or [stakeholder engagement](#) strategy setting out how you will use your channels, or involve your stakeholders, in delivering certain aspects of your work. Some organizations may also have a distinct strategy for, say, social media. It is important that this links to, and serves, your overall strategy.

Communications and stakeholder engagement are often combined into a single strategy, but they may be separate. A communications strategy will focus on how you will promote your content to your target audiences, so that your messages land effectively with the right people and have the most effective impact and influence. The communications strategy will set out what channels you plan to use for various types of communication—for example, your website, press releases, social media, or publications.

A stakeholder engagement strategy will focus on identifying the key groups (and possibly individuals) that you would like to listen to, and perhaps also to work with on relevant issues. For political finance oversight bodies, these often include political parties, candidates, parliamentary committees, journalists, and state institutions such as the prosecution authority or Ministry of Finance. The engagement strategy will set out how you plan to interact with them, gain useful feedback from them, and make the experience a positive one so that they will engage with you again in the future. Some extremely useful relationships can be formed, and external intelligence and input gained, in this way.

Some hints and tips on how to develop your communications and engagement strategy:

- Your communications strategy should address the key messages and content you plan to promote, the channels you will use, and the frequency with which you will use those channels.

- Your engagement strategy will focus on who you want to listen to and interact with, how and when you will engage with them, and what methods you will use (meetings, focus groups, consultations).
- All good relationships are mutually beneficial, and they are worth investing time and effort to maintain. It is worth periodically reassessing your relationships to ensure that this remains true.
- Any external “user groups” you engage with will have a membership that is not under your control, and that membership may become out of date or out of touch over time. That is another good reason to revisit your stakeholder map and your communications and engagement strategy periodically, so as to ensure that the feedback you receive from such groups remains relevant and useful.

2.1.3.4 IT Strategy

Your organization’s IT strategy should cover your IT assets, the management of turnover in IT equipment, any planned system work or expansion of IT equipment (for example, growth in number of users), and how you manage cyber-risks. Within the context of your political finance role, there has been significant movement internationally toward e-filing database systems for submission of financial reports and an increase in digital publication of finance data. See the sections on the [publication of data, actions and decisions](#), and on [preparing reporting](#).

Alongside your IT strategy, you should also have a business continuity plan for use in emergencies. Key personnel should keep a paper copy of your business continuity plan off premises (for example, at home) in case you need to refer to it at a time when your office is unavailable or your IT systems are down. Examples would include a fire, flood, major power outage, earthquake, or another major incident involving the emergency services. The business continuity plan should be tested occasionally so that you can be sure contact details are up to date, and to familiarize staff with the procedure in case of a real business continuity event.

2.1.4 Governance Materials

Your governance materials will set out the rules and structures and processes you adhere to when you make decisions and take action. Your decisions and actions on matters that are within your remit need to be taken in a legitimate and legally defensible way. You need to be thoroughly conversant with your governance framework, and to encourage awareness among your staff of what “the right way of doing things” is. Good governance makes good decisions more likely, and expensive legal challenges less likely—or at least less likely to succeed.

2.1.4.1 Scheme of Delegation or Accountability

This will set out whom you are accountable to and what you are accountable for. Schemes of delegation and accountability can be very detailed, and you may wish to

consider including only a top-level version in your strategic framework (with a more detailed version used for internal, operational purposes). The scheme should explain who has the authority to make different types of decisions; for example, who has authority to initiate an investigation, to determine whether a violation has been committed, or to grant a political party an extension of time to file a financial report. If another body is ultimately accountable for some or all aspects of your work (for example, a parliamentary committee, governmental department, or state audit office,), the scheme of delegation will make this clear and describe your external accountability arrangements with them as well as your internal decision-making apparatus.

If you have any powers that are set out in law, your scheme of delegation may also describe how you manage and delegate the delivery of such powers internally; for example, through a committee.

Some hints and tips on how to develop your scheme of delegation or accountability:

- Your overall scheme of delegation should be clear from the time your organization is set up—it may be in statute, be decreed by the government, or be set out in an instrument that confers on you a certain remit and perhaps certain powers.
- Your scheme should specify whom you are accountable to (or state that you are a fully independent body). It should also state how you account to them; for instance, through regular reporting and meetings.
- It should also specify any limits on your remit and decision-making powers; for instance, matters that need to be referred elsewhere and are excluded from your remit, or decisions that must be made by those who have been democratically elected (for example, parliament).
- It should describe your internal decision-making structure and make clear which individuals or entities are responsible for different types of decision. This may include a description of how you delegate certain powers internally; for example, through a committee.

For an example of a scheme of delegation, see Part 4 in the [Corporate Governance Framework](#) of the U.K. Electoral Commission.

2.1.4.2 Legislation Governing or Relating to Your Role

Most political finance oversight institutions are statutory creations and have specific legislation that delineates their functions and roles. In addition, other pieces of legislation are likely to be relevant to your organization's field of operation, so it is a good idea to list them. Two common examples are data protection laws and codes of administrative procedure.

2.1.4.3 Code of Conduct

Your code of conduct will address matters such as workplace behavior, ethical principles and values (reflecting those in your staff charter, if you have one, or in your

values statement), confidentiality, and dealing with conflicts of interests. It should provide guidance and be given to people when they begin a role—they should sign it to indicate that they have read and accepted it.

You may have one code of conduct for staff and another for board members, external experts, contractors, or stakeholders who are working with you on a project or providing advice. If there is more than one code of conduct, it should be made clear which groups of people each one applies to. Moreover, it is important to review your codes of conduct from time to time to ensure they remain fit for purpose. The review should encompass all codes of conduct to ensure consistency and that the “golden thread” is not broken.

The provisions dealing with conflicts of interests are particularly important in the context of political finance oversight as this goes to the very heart of the institution’s impartiality and independence.

Some hints and tips on how to develop a code of conduct:

A typical code of conduct will cover:

- Ethical principles and corporate values to be adhered to.
- Clear accountability guidelines; for example, on appropriate use of information, confidentiality, and avoiding or declaring conflicts of interest.
- Standards of conduct, such as appropriate email usage and conflicts of interest.
- The consequences of failing to live up to the standards set out.
- Any relevant legal or contractual liabilities that may apply in certain roles.

You may need more than one code of conduct (for example, one for staff and another for nonexecutives or expert advisers).

Here are examples of codes of conduct of political finance oversight institutions ([Examples of codes of conduct.pdf](#)).

2.1.4.4 Standing Orders, Charter, or Internal Regulations

Standing orders (also sometimes called charter, internal regulations, or house rules) set out the procedures that apply within your organization—in other words, the rules within which you operate and make decisions. Areas covered may include the governance of your board and committees, the procedures you follow during meetings (for example, how and when to take a vote), your administration and procurement procedures, and the various ways in which management decisions can be taken (for example, about financial matters or changes of policy).

Some hints and tips on how to develop standing orders or charter:

- Your standing orders should set out, in detail, how you operate and make decisions.
- Standing orders may include:
 - Instruments of delegation.

- A list of any powers or decisions that cannot be delegated.
- Powers of the chair and chief executive, or commissioner and executive director, etc.
- Rules to be followed in order to amend standing orders.
- Procedures governing formal decision-making meetings.
- Committee terms of reference, membership, and quorums.
- How and when a formal vote will be taken.

The standing orders of the U.K. Electoral Commission are included as Annex A in its [Corporate Governance Framework](#).

2.1.4.5. The Terms of Reference of the Board and its Committees

Terms of reference set out the role and constitution (structure) of a board, committee or working group. The terms of reference will include a brief description of the group's remit, its authority and its composition. A quorum will also be listed—this is the minimum number of attendees required to make a decision. The terms of reference may also establish other rules such as who else can attend the group's meetings (for example, observers or staff).

Many organizations publish their terms of reference in the interests of transparency about their decision-making apparatus.

Some hints and tips on how to develop terms of reference for your board and its committees:

- Formal committees' terms of reference should be contained within standing orders (or a similar instrument of governance).
- Informal or staff boards and committees should also have terms of reference to ensure clarity of purpose and an appropriate membership.
- It is important that terms of reference clearly specify the role of the committee and state clearly what matters have been delegated to it and by whom.
- The terms of reference should also include the composition of the committee, the length of a term of office, and the nature of the membership (for example, a mix of professionals with specific knowledge sets and "lay" members). It may also list people who are entitled to observe the proceedings without participating in debate or decision-making, and anyone who needs to be present in an expert capacity to provide advice (for instance, legal or constitutional advice).
- The terms of reference should specify a quorum—the minimum number of members who need to be present to make a decision.

The terms of reference of the Audit Committee and the Remuneration and Human Resources Committees of the U.K. Electoral Commission are included as Annex G and H in its [Corporate Governance Framework](#).

2.2 Overview of Planning

This section provides further information about how to plan well, based on your overall strategy.

Why Do We Need to Plan? Can't We Just Do our Job?

Your organizational purpose may be clear (and relatively static), but your environment, and society, change over time. Your needs and the needs of those you regulate will change. And so your organizational focus will inevitably shift over time. You will stand a much higher chance of making a positive difference through your work if you regularly look ahead and outward, and have a clear vision and a set of aims to focus your limited resources on. Having a strategy in place is therefore the first step toward knowing what it is that you need to plan. Once you have a good plan in place, you are much more likely to be able to achieve good outcomes while managing within the resources available to you.

Compare it to setting off on a voyage in a sailing ship. If you have no idea where you are heading, you are likely to find yourself shipwrecked, lost, or becalmed. If, on the other hand, you have set off with a clear idea of where you want to go, it may still be that you get diverted by bad weather but you will reach your destination in the end. If you have no destination, you could end up anywhere. And who is going to go with you to crew your ship if you cannot even tell them where you are going?

What Do We Mean When We Talk About "Having a Plan"?

There are different levels of planning.

The vision and strategy set by the board should guide all your other planning.

An annual corporate plan (sometimes called a business plan) will be needed to record at the organizational level which aspects of the strategy will be delivered in each financial year and with what resources.

Operational plans will set out in detail how each team within the organization will deliver its particular parts of the corporate plan each year, and monitoring operational delivery will give you a good sense of how the overall delivery of your strategy is going.

Each member of staff will have their own individual objectives and should be able to see a clear link between their own work, their team's work, the annual corporate plan, and the overall vision set by the board.

It is important that your layers of planning join up and are aligned with your strategic vision. Every piece of work delivered should represent another step toward making the vision a reality.

Here is a diagram to illustrate the levels of strategy and planning:

2.2.1 Corporate Plan

2.2.1.1 Overview of a Corporate Plan

Your corporate plan will contain a more detailed breakdown of exactly what you will do to reach your strategic objectives, and how and when this will be achieved.

More operational than a strategy, it sets out the work you will do in a single business year to make progress toward your longer-term goals. You may even be able to set a longer-term corporate plan covering the entire period of your strategy—this will depend on your funding model and any oversight requirements by other bodies.

The corporate plan will need to demonstrate that you have considered how to resource your planned activity within your annual budget and your operational capacity.

If you publish your corporate plan, it is also likely to include a description of achievements and developments in the previous year, and some performance metrics to illustrate the progress you have already made toward your strategic vision and goals.

Here is an overview diagram showing the typical contents of a corporate plan:

2.2.1.2 Detail of a Corporate Plan

2.2.1.2.1 Organizational Information

Organizational Purpose

It is a good idea to restate your organizational purpose near the beginning of your corporate plan, since your readership may include people who are not particularly familiar with your role as the oversight body for political finance. This information will help to frame the rest of the information for them.

Legislation and Functions

In most countries, the role of the political finance oversight institution is set out in legislation. It is a good idea to make this clear in your corporate plan. This will enable others to gain more of an understanding of the nature and basis of your work, and to appreciate that some aspects of your organizational purpose are statutory rather than self-determined.

If you operate in an environment where legislative changes in the political finance area are common, or upcoming, this also provides you with a chance to explain how this may affect your work in the coming year.

2.2.1.2.2 Objectives

Current Strategic Objectives

Your corporate plan will go on to set out in some detail the activities you plan to carry out across the year. Since these activities will contribute to the delivery of the strategy, it is a good idea to summarize your strategic vision and long-term objectives (from your strategy) at the beginning of your [corporate plan](#). This will also enable you to take the reader (and your staff) on a journey, from your organizational purpose to a reminder of

your strategic intent, and then on to an account of how you plan to move toward your vision in the coming year.

It is not necessary to address every strategic aim in every business year, unless it makes sense to do so. You may choose to focus on one or two strategic objectives each year until the whole strategy has been delivered.

Main Short-Term Objectives (for the Business Year)

Your current objectives should follow directly from your longer-term strategic objectives, breaking them down into more manageable chunks. It is useful to show how achieving your current objectives will contribute to the achievement of your strategic objectives, and how this will be measured. You may, for instance, have two or three shorter-term annual corporate plan objectives for each of the strategic objectives you are planning to make progress on during the year. Corporate plan objectives broadly tend to relate to work streams or projects. They should also be SMART (see [How to write SMART objectives.pdf](#)).

At the corporate plan level, you will also include the aspects of your core work that support delivery of the strategy indirectly—such as ensuring that staff are retained or recruited, working collaboratively with other organizations, maintaining your website, responding to information requests, and so on. There may also be important statutory duties that your organization is responsible for every year, regardless of the current strategy. You may therefore have some “standing objectives” in the corporate plan relating to your core activities, to ensuring the smooth running of your organization, to supporting its infrastructure, and to maintaining its external relationships, communications, and reputation. For example, you may be responsible for receiving, reviewing and publishing the annual accounts of political parties within a set timeframe. It is important to include these types of objectives as well as work that is particular to your current strategy, since all of it needs to be delivered within your available resource envelope.

2.2.1.2.3 Performance

Achievements in the Previous Year

This is an opportunity to blow your own trumpet! But it is also good practice to include information about the degree to which you delivered the activities set out in the corporate plan you published the previous year. It is also important to note any areas where you were unable to achieve everything you set out to do, and to explain the reasons for this and what you will do to address this in the current year.

If your corporate plan is the first in a new strategic period, this is also a chance to describe how you met your previous strategic vision and objectives. Writing about your achievements gives your stakeholders confidence that you can deliver on your new strategy too, and it is an opportunity to publicly thank people who contributed to previous work.

Measures of Success and Performance

It is a good idea to include a general explanation of how you measure your success and the benefits of your work. This may be through formal monitoring during and after a project, through consultation and surveys, through self-assessment, through external or internal audit, through setting milestones and key performance metrics, or by other means.

A concise explanation can be useful to show to potential funders, auditors and your board. It demonstrates that you run a proactive, learning-oriented organization that pays attention to its real-world impacts and is responsive in adjusting its plans to secure better outcomes.

You will probably have a detailed performance management report that you take to the board regularly. For the corporate plan, it is good practice to pick some of the performance indicators that you feel broadly reflect your overall performance as an organization (for example, staff turnover, or speed of response to queries) and to report on these in each corporate plan.

You may also set particular measures of success for the objectives and activities set out in your corporate plan. There is no need to try to measure everything—just include a few key measures or milestones that you can report back on in the following year's plan. For example, if your corporate plan objectives target increased transparency and compliance with the law, you may want to select success measures such as:

- X percent of required reports being submitted on time (and maybe set the percentage higher than what you achieved the year before).
- Publication of financial data (or reports submitted) within X days of receipt.
- X percent of requests for advice to be responded to within Y days of receipt.
- X percent of investigations completed within a specified time.
- Fewer than X inaccuracies in the financial data published.

You will also want to ensure there are some objectives for the [efficient running of the organization](#) such as:

- Delivery of activities within agreed budgets and any forecast underspends swiftly redeployed to bring forward implementation of strategic objectives, if appropriate.
- Recruitment for all vacancies completed within X weeks/months.

2.2.1.2.4 Activities

Activities Planned for the Year

Beneath each corporate plan objective, you should set out the activities that will be undertaken, the estimated timescale for the activities, and the intended outcomes and benefits. This is the right place for the more detailed breakdown you omitted from the strategy. Examples of activities for the year might include:

- Publish guidance on election campaign finance rules X months before the electoral period begins.

- Revise internal procedures on the receipt and review of statutory reports by X date.
- Organize and deliver training sessions for journalists and chief financial officers of political parties.

You should review your progress regularly throughout the year and report back to your board on successes and on any major deviations from the intended plan that might require a decision or some reprioritization in-year.

Your staff teams will each develop operational plans to help them deliver their parts of the corporate plan. This helps you to ensure that everything you have publicly said you will do will in fact get done.

2.2.1.2.5 Financial Information

Financial Picture

The corporate plan should include your budget for the year, including any relevant information about unusual or specific funding packages that may apply in one year only. In some countries, for example, the annual budget for the political finance oversight body is augmented for parliamentary elections. In addition, you may receive special funding for a particular capital project.

If possible, you should include a budget breakdown that illustrates how each objective has been costed. Some objectives will be delivered purely through staff resources, so a proportion of your staff costs will be the only factor. Other activities may involve contractors, legal fees, equipment hire, and other services.

It is important that the board is aware of the resource envelope you need to deliver the activities set out in the corporate plan. Sometimes this may mean having challenging discussions with your board to arrive at a solution in your corporate plan that is deliverable, without compromising the vision. You may for instance need to extend your strategy from three to four or five years to be able to deliver the vision in full given available resources. It is important to have those discussions internally in advance of publishing your strategy, so that when you come to write your annual corporate plan, you already have a realistic outline plan for delivery that you know is affordable.

2.2.1.2.6 Other Information You May Be Required to Include

If you are under the oversight of another body, it may require you to include other additional information in your corporate plan. Check with it to see if there is a set of rules you should be aware of. For example, that body may request that you provide some information about how you are complying with government policies on office occupancy, a green agenda, equalities legislation and information access requirements; or it may ask you to explain your audit arrangements in your corporate plan.

Make sure you discover what your obligations are and address these as required in your corporate plan. Also ensure you are aware of any required review and sign-off process for your corporate plan and budget before you publish.

2.2.1.3 Developing a Corporate Plan

You should have (or establish) a regular annual planning cycle, and base your corporate plan on your strategy and your ongoing core work. Structuring your plan to match your strategy will help you to keep track, over time, of which aspects of the current strategy have already been delivered, and which still need some work. Producing your corporate plan should be a coordinated activity, involving all the teams whose work will be set out in the plan—it is important that people have appropriate input, as this will make the resulting plan more robust and more realistic. For hints and tips on how to develop a corporate plan, see [Developing a corporate plan—hints and tips.pdf](#).

For example of a corporate plan template, see [Template corporate plan.pdf](#).

For examples, see the corporate plans of the [U.K. Electoral Commission](#) and of [Elections Canada](#).

2.2.2 Operational Plans

2.2.2.1 Overview of an Operational Plan

An operational (or business) plan will set out in detail how and when a team will undertake all of its activities in the year. Your organization should have a set of joined-up operational plans that collectively deliver everything you have publicly committed to in your corporate plan.

The type of work set out in operational (team level) plans will vary tremendously depending on the function of the team. Therefore, the content and layout will also vary—for example, an IT development team’s operational plan will look very different from a policy team’s plan, and it may even be created in different software. It is not a problem if different teams’ operational plans look completely different—the purpose of the operational plan is for the team to be able to manage and monitor its own work effectively.

Operational plans should be discussed early among teams, alongside the development of each year’s corporate plan. There should be oversight of this level of planning by senior management to ensure that the operational plans are in line with the corporate plan and the strategy.

Here is a diagram showing the areas an operational plan should cover:

2.2.2.2 Detail of an Operational Plan

2.2.2.2.1 Activities, Timescales, and Interdependencies

Operational plans should include all the team’s planned activities for the year, set out month-by-month, and the intended timescales. It is also important that team leaders, in particular, pay attention to assumptions, dependencies and interdependencies within the organization when planning out the work, so as not to “double-commit” resources—this is especially important where different teams need to work together on certain projects.

For example, you may wish to issue guidance for political parties regarding an upcoming election. If you also want to use that guidance in training sessions, you will need to determine the timing for the training sessions and the time needed to draft, review, consult on and finalize the guidance material. If you need to have the legal department review the guidance along the way, time will need to be set aside for this and you will need to ensure that it does not coincide with a time when legal colleagues are busy working on other things, like challenges to other regulatory decisions. If your communication/public relations colleagues will be involved in the finalization and dissemination of the guidance material, their work other commitment and schedules will have to be taken into account when developing your activity plan.

Teams should review their activities and progress regularly; for example, at regularly scheduled team meetings. You should ensure your organization has a clear “escalation route” so that teams are able to report any delays or problems with delivery upward, since this could necessitate prioritization and resourcing discussions or senior management decisions about the way forward.

2.2.2.2.2 Ownership of Activities

For each activity, there should be a specified lead person who is accountable for the delivery of that work. Since an operational plan is a tool for managing the whole of the team’s work, it should also make clear who else is essential to each task. This will help to avoid scheduling conflicts and delays.

2.2.2.2.3 Budget and Resources Committed

For some pieces of work the budget committed may only be a proportion of staff salaries—in other words, no additional budget costs will be anticipated since the activity only requires staff time. In other cases, there will be other costs as well, and your finance team will need these costs to be profiled across the year—in other words, you will need to estimate when you will be spending the money.

It is important that the team’s budget is aligned to the work it has been asked to do for the year. For this reason, annual budget discussions should occur alongside the development of the corporate plan. With some projects, it may be necessary to do a degree of planning long before the project is due to begin, so as to “bottom out” the likely costs and ensure these are properly budgeted for at the start of the business year.

2.2.2.2.4 Reporting Arrangements

It is important that everyone is clear about lines of reporting, so that managers understand progress, successes and obstacles, and so that decisions are made at the right level in the organization.

Perhaps you have a regular management team meeting that makes corporate decisions, or a program board that oversees your project portfolio. It is important that all team leaders, especially, are aware of the terms of reference of such internal groups, the thresholds at which certain decisions should be referred upward, and their own obligations to report on the team's activities—especially if a piece of work is not going well.

The best-laid plans can start to go wrong because of events that could not have been predicted at the planning stage. This need not spell disaster. What is important is that staff report what is going on promptly, which in turn enables the wider organization (and sometimes the board) to make decisions about the work. Plans can be changed legitimately—the important thing is that any reprioritization decisions are made with the vision and the strategy as a guide.

2.2.2.3 Developing Operational Plans

Operational plans should be developed by each team, and team leaders should involve their staff in planning. As noted earlier, different teams may use different formats to map out their plans, depending on the nature of their work. The main thing is to ensure that all the work they are committed to doing in the corporate plan is included, and that everything that is included is listed in the corporate plan. In other words, the operational plan should set out in more detail how and when the team will deliver their elements of your corporate activities, and teams should not be delivering unapproved work that is potentially at odds with your strategy and corporate plan.

For hints and tips on how to approach operational planning, see [Developing an operational plan—hints and tips.pdf](#). For example of template operational plan, see [Template operational plan.pdf](#).

Please refer to the operational plan (here called a [business plan](#)) of the U.K. Electoral Commission.

2.2.2.4. Staff Objectives

It is important that your staff have objectives that make sense within the context of the overall organizational plan. This will enable them to see the link between the vision and their personal contribution, and it will ensure that everyone's efforts are moving you in the right direction. Naturally, staff will also have personal objectives related to their own development needs, and some of these may link more to their individual career aspirations. But try to make sure each member of staff has at least one or two objectives that reference the overall strategy. For example, a staff member tasked with giving advice and guidance might be set an objective of responding to all requests for advice within three days.

Achieving a vision is a whole-team effort. Discussing objectives is a good time to remind each staff member that everyone is working toward a common goal, and that what they do really matters.

2.3 Overview of Project Management

2.3.1 Introduction to Project Management

Even if you are not a project management specialist, you will want to incorporate some basic techniques and tools into your work in order to deliver your political finance remit successfully. The key stages and components of project management are set out in the diagram below.

What Is a Project?

A project is a temporary or time-limited piece of work that aims to produce some specific new products, outcomes, or services within the defined period. For example, you may want to institute an e-filing system to replace paper transmission of annual and election finance reports. You will need a budget for the development of the e-filing system and a team to deliver it. The beneficial changes to be served by an e-filing system might be improved reliability of data and faster publication of data in a searchable, downloadable manner.

What is Project Management?

Project management is a way of managing a time-limited piece of work from inception through to completion. The purpose is to achieve the project's deliverables (products and outcomes) in a controlled way, on time and within budget. Project management includes everything from the earliest planning of the project through to learning lessons from the experience of running the project after it has been completed. As highlighted in the diagram above, there are four main stages in managing a project: pre-planning and start-up, initiation, delivery, and closure.

What Is the Value of Using Project Management?

It gives you greater control and oversight of the work while it is in progress, as well as the ability to make informed decisions about any changes that arise during delivery. This leads to a much greater likelihood that you will achieve the intended benefits of your project and reduces the chances of your organization wasting time and money during delivery.

How Do I Know if a Particular Piece of Work Is a Project or Not?

To work out whether something should be managed as a project, consider:

- Is it a new piece of work—something that you have not done before?
- Will the piece of work bring about change?
- Does it need a distinct budget?
- Will it take longer than a couple of weeks to complete the work?

- Is there a hard deadline?
- Is there any uncertainty about the products needed and the level of quality required?
- Is there a degree of local or national political interest in the work?
- Is the piece of work going to be complex?

If your answer to most of the above questions is yes, then it is probably best to run that piece of work as a project. This does not mean you have to use all project management tools; their use will likely depend on the scale and importance of the project. However, using at least some of them will reduce the risk of the work not being delivered fully, the intended benefits not being achieved, the timeline not being met, or the available budget or staff capacity being exceeded. In addition, some of the project management techniques and tools can be very useful for managing your day-to-day activities.

Do I Need Formal Training in a Particular Project-Management System?

No. This guide sets out some principles that will help you to manage projects effectively without any particular training.

However, you may benefit from formal training if you run projects frequently or need to manage an especially complex project or program (a program being a set of projects). There are many organizations and individuals who provide such training.

What Tools Are Used in Project Management?

There are a number of standard tools used throughout the various phases of project management to help ensure the success of your undertaking. We have identified [key tools for each project phase](#) and we delve more deeply into risk management in [a later section](#).

2.3.2 Components of Project Management

Stages of a Project

Projects fall naturally into stages, and each stage has its own components.

Stage One: Pre-Planning and Start-Up

During stage one, you will be confirming whether the project is worthwhile and whether it is viable for your organization to go ahead with it. Therefore, stage one may not lead on to more stages. It is important to invest some time at the outset understanding what the project will involve if it goes ahead, so that an informed decision can be made about whether it should.

Stage One includes the following components:

- Clearly identifying the change(s) the project aims to bring about and who will benefit.
 - This may require discussion with senior staff, or perhaps even a workshop involving a wider group. Your senior staff will have a view as to whether the potential project is well aligned with your current corporate strategy

and plans, and they will want to have a say about what the project needs to include. It is beneficial to get their views at an early stage.

- For example, if you are considering developing an electronic reporting and disclosure database, your goal might be simply to comply with a legal obligation or to increase transparency of political finance. You might also want to simplify the entry and review process, reduce human errors caused by entering data manually, and allow for downloadable, searches of data, etc.
- Understanding what main actions or stages or steps will be needed in order to make the benefits a reality.
 - This will form the foundation for your project plan, if the project goes ahead. It is also a good time to test out with others your initial assumptions about the activities the project will entail.
 - In the electronic reporting and disclosure database example, this might include an analysis of governing legislative requirements, identifying sociopolitical challenges, consideration of system options etc.
 - This early thinking about the stages and steps will help you to test your assumptions, particularly in relation to the time the different stages of the project is likely to take. There is often a risk that plans are unrealistic, and projects are then delayed. It is important to start with the end-point of the project (particularly where you have a hard deadline to meet) and then plan from that date backward, with realistic timescales for each stage of work. This enables you to confirm whether your intended approach is feasible or whether compromises must be made to meet the deadline.
- Ensuring you really understand what your beneficiaries need and want.
 - This may require some research or meetings with stakeholders. You want to avoid running a project, successfully delivering the planned benefits, and then finding out that your stakeholders needed something else.
 - For example, consultation with political parties, candidates, investigative journalists, civil society and other state institutions may help inform your thinking about what is needed from an electronic database.
- Agreeing what products or outputs the project should produce at each stage.
 - This will deepen your understanding of the project and the resources you will need. It will also inform your later thinking about how and when to communicate your progress, since your products may include material you are going to publish or issue.
 - It is a good idea to refer back to the change your project is intended to bring about, and to check that the products or outputs you are identifying will indeed achieve that change.
- Estimating the resources required to deliver the project (staff time and a realistic budget).

- Once you have a better understanding of your project's aims, benefits, main stages, and key outputs, you will be better placed to estimate the resources you need.
- It is easy to underestimate the resources needed to design, develop, and implement an electronic database and careful consideration should be given to ensuring that a detailed and generous analysis is undertaken. Some less obvious costs include those associated with testing the system, data migration, backup servers and ongoing maintenance costs.
- Identifying any potential obstacles, risks, interdependencies, or other potentially conflicting work that could affect the timeline or the viability of the project.
 - This early thinking will help you to write your risk log for Stages Two and Three of the project. It will also help you to make a sensible proposal in your business case (see below) about when the work should start and finish, and to identify other teams or individuals you will need to involve in, or inform about, the project.
 - One of the key challenges for the implementation of an electronic database system is the electoral cycle. The timing for key stages of the project must take into account election campaign activity. For example, seeking input from political parties just before annual reports are due will likely be unproductive. Likewise, launching the system during an election campaign period or in the middle of a reporting cycle should be avoided.
- Considering what options are available in terms of how to bring about the intended change.
 - It is usually a good idea to present more than one option for the project to decision-makers, and to explain in your options appraisal what the impact would be of not doing the project at all. There are web-based and software-based e-filing systems, and you may want to assess the pros and cons of each type given your country context.
 - You may also want to consider options for how the system will be developed; for example, by using internal expertise and resources or retaining an external supplier. If the latter, you will want to explore the market and obtain some comparable quotes, and then assess which supplier is the best fit for you project.
- Development of a business case to inform a formal decision about whether to commence the project.
 - A well-informed business case is the main product of Stage One. It is essential to have an agreed business case to guide your more detailed project preparations. The business case will set out the reasons for the project, the intended benefits, the options for proceeding with the project, your interdependencies, the working assumptions and constraints, the intended timeline for delivery, the resources required to run the project, and a list of stakeholders and project team members.

You may also find it useful to decide on a design axiom for your project at this stage, using the “iron triangle,” and to include this in your business case. The principle of the iron triangle is that you need to decide which factors are the most important to you for this project—because you cannot have it all. For example, fast work at a bargain price will not be of superb quality; fast work of high quality will not be cheap; and high-quality work at a bargain price will take a while. So you should ask yourself what are the things that you really need two most important “must haves”? Is high quality paramount? Is it vital to keep the cost down? Do you need quick results? Which of those three will you give up?

You should decide at this early pre-planning stage which factors you would like to prioritize, as this will help you to be realistic in your planning. Here is a diagram summarizing the “iron triangle”:

Links to Stage One (Pre-Planning and Start-Up) Tools Tips

1. Top tips for managing projects ([Tool 1 - Top tips for managing projects.pdf](#))
2. The “iron triangle” ([Tool 2 - The iron triangle.pdf](#))
3. Template: identifying benefits ([Tool 3 - Template: Identifying benefits.pdf](#))
4. Template: project resource requirements ([Tool 4 - Template: Project resource requirements.pdf](#))
5. Template: business case ([Tool 5 - Template: Business case.pdf](#))

Stage Two: Initiating the Project

Stage Two follows once a business case has been approved. You should not start initiating your project until it has approval, since this may prove to be a waste of your time and resources. Initiation may take several weeks to complete and will require more in-depth conversations with those involved.

During Stage Two, you will establish a firm foundation for the project. You will bring together your project team and any other staff who should have early input or “be sighted on” the existence of the project. Using the development of an e-filing system as an example, your project team would probably include members from a variety of departments, including party and election finance, IT, legal, finance and communications. You will prepare the key project documents that you will then use to run the project throughout its life, such as a project plan and a “risk and lessons learned” log. And you will be seeking answers to the following questions to ensure that your project plan and documentation are thorough and clear:

- Are we clear about why we are doing the project, the benefits, and the methods we will use to achieve them?
- What is in scope? What is not?
- What are the quality and timing requirements for our deliverables?
- What risks or issues are we going to encounter, and how can we mitigate them?
- How will we monitor and control the project?
- Have we thoroughly estimated the budget, and is it in place?

- Who will be involved in decision-making in relation to the project?
- Who needs information and communications, and when?
- Do we have all the skills we need to complete the project?
- Who is on the project team, and have they been freed up from other duties so that they have the time needed to perform their project tasks?
- Is our project plan complete? Is it realistic?

During this stage you will need to produce:

- An assessment of risks and a risk log.
 - These two documents are used to identify, assess and record risks, controls and mitigations. You may also want to begin tracking issues that will need to be [resolved during this phase](#).
- A benefits realization plan.
 - This will set out how you will measure your projects benefits. This involves agreeing what the measures of success will be, what the baseline is against which you will be measuring, and how and when the measurement will be done.
- A full product breakdown.
 - This is a necessary step toward producing a complete project plan, and it helps you to ensure you have accounted for all elements of the project in advance.
- A full project plan.
 - You will refer to and update your project plan on a daily basis, and it is an incredibly useful way of keeping track of the work, especially if your project is long or has a lot of different deliverables.
- A communications plan.
 - This may be developed with the help of internal experts (for example, your communications team), and it will set out how and when you will communicate with different audiences about aspects of the project. It will identify the messages you will need to convey at different stages, and the channels you will use for different types of communication (for example, emails, website, social media, newsletters, or a specific publication).
- A project initiation document (PID).
 - The PID is the main product of stage two and will go to your project board for approval. It will bring together all of the information required to start delivering your project.

Links to Stage Two (Initiating the Project) Tools

1. Assessment of risks template ([Tool 6 - Assessment of risks template.pdf](#))
2. Template: risk log ([Tool 7 - Template: Risk log.xlsx](#))

3. Template: product breakdown ([Tool 8 - Template: Product breakdown.pdf](#))
4. Template: project plan ([Tool 9 - Template: project plan.xlsx](#))
5. Template: benefits realization plan ([Tool 10 - Template: Benefits realization plan.pdf](#))
6. Template: communications plan ([Tool 11 - Template: Communications plan.pdf](#))
7. Template: project initiation document ([Tool 12 - Template: Project initiation document \(PID\).pdf](#))

Stage Three: Doing the Work

During this stage you will be delivering the work, in accordance with the project plan.

You should hold regular meetings with your project team throughout, and report regularly to your sponsor and project board. If you are the project manager, it is a key part of your role to coordinate the work, to communicate well throughout, and to ensure that reporting is accurate and timely. Using the electronic database example, it is critical that any external IT contractors are well integrated into the project team and interact continuously with your staff who are the experts on the legal framework and operational needs the system must address.

Your regular reports to the project board may be verbal or via a written standard checklist. What is important is that you keep them fully informed.

If changes occur mid-project—for example, because external events influence or disrupt the project—you may need to seek permission to make changes to your delivery timeline or other aspects of the project. As project manager, you should raise any such issues to your sponsor and/or project board as soon as you are aware of them. For example, legislative reforms that alter political finance reporting requirements could have a significant impact on an electronic database project.

An issues log, where you list and track all issues that arise is a vital tool in the day-to-day management of the project. It enables you track and address all issues and questions that need resolution in a central location and, when reviewed regularly, helps identify problems that can undermine the successful delivery of the project and should be raised with your sponsor and/or project board. The log should record when an issue was identified, who is responsible for managing it (issue owner), a description of the issue, its prioritization, actions to be taken, and when the issue was resolved or closed.

Changes are managed by reporting on any issues to the project board and making formal change requests when needed. For instance, if a supplier's prices increase mid-project, you may need to ask permission, via a change request, to spend slightly more money. If any major changes occur during the project—for example, a governmental decision changes its whole focus — then it is said to be “in exception.” In other words, it has deviated, or will need to deviate, from the original plan significantly. In such instances, the project manager should produce an exception report setting out what has happened and recommendations for the way forward, and present these to the project board without delay so that a decision can be made.

Your business case and your earlier “iron triangle” decision will be your guide if you need to make changes mid-project.

Throughout delivery of the project, you should keep a note of lessons you learn along the way. You also should continue to use your project plan and risk log actively, keeping them up to date. Any new risks or issues of concern should be reported to your sponsor and project board.

Links to Stage Three (Doing the Work) Tools

1. Active lessons log ([Tool 13 - Active lessons log.xlsx](#))
2. Issues log ([Tool 14 - Issues log.xlsx](#))
3. Exception report ([Tool 15 - Exception report.pdf](#))
4. Change request ([Tool 16 - Change request.pdf](#))
5. Project Board reporting checklist ([Tool 17 - Project Board reporting checklist.pdf](#))

Stage Four: Closing the Project

It is important that the project is clearly closed down and that any subsequent actions that need to be taken are allocated to someone.

During this stage, you will produce an end-of-project report, explaining how the business case was met, setting out the extent to which benefits were realized, and providing an account of any lessons learned that could be helpful for a future project.

Your project board will consider the report and will agree whether the project can now be closed.

Link to Stage Four (Closing the Project) Tools

1. End of project and lessons learned report ([Tool 18 - End of project and lessons learned report.pdf](#))

2.4 Risk Management

2.4.1 Overview

What Is Risk?

Fundamentally, risk is uncertainty of outcome. Risks are described in terms of the potential events that could impact on your intended outcomes, together with the potential causes and effects. The situations you encounter as you deliver your work inevitably contain a degree of uncertainty, and in aiming to fulfill your objectives there is a chance that various things could happen that could cause you to fail. The consequences when a political finance oversight body fails to deliver are significant. Not only will your institution lose credibility but also confidence in the integrity of the electoral system could be undermined. The “things that could happen” constitute risks, and you should seek to manage these to optimize your chances of a good outcome.

Risks can stem from a wide variety of sources, such as change, legal challenge, financial factors, and errors.

For an example of the risk management approach by the U.K. government, see its [“Orange Book.”](#)

Oversight of political finance can be a particularly risky endeavor, as it includes overseeing and potentially seeking sanctions against powerful political actors who have the power to alter the legal mandate of any public institution tasked to oversee political finance.

Why Should We Manage Risk?

Good risk management allows you to:

- Have increased confidence in achieving desired outcomes.
- Effectively constrain threats to acceptable levels.
- Take informed decisions about opportunities and changes.

Some level of risk is inevitable and no successful organization can be completely risk-averse. For example, the server supporting your e-filing system may go down or you may fail to identify a potential breach of the political finance law when reviewing a campaign finance election report. It is important to realize that risk management is not about attempting to eliminate all risk. Rather, it is an approach to your work that enables you to consider risk whenever you are making decisions, beginning a new piece of work, or performing day-to-day tasks. For example, you might have considered server failure when developing your e-filing system and made provision for a backup server in the event of such a contingency. Or you may have included a secondary review of campaign finance reports to guard against the potential risk of failing to identify breaches. Risk management should be an intrinsic part of your organization’s governance, integrated into the way you work and the way you think. It should not be an extra process.

Evaluating potential uncertainties in the course of things is preferable to having to manage unexpected impacts—a risk-based approach will in the long run save you time, as it will reduce the number of unexpected issues that arise.

What Elements Make Up Risk Management?

Risk management starts with a good risk culture—an awareness across the organization that this is important. Risk management should be seen a positive approach that can enable you to identify and assess risks during planning, and to learn lessons when issues have arisen, so that risk management in relation to future, similar, situations can be improved. Openness, constructive challenge, and willingness to learn from issues should be promoted across the organization.

You may also find it useful to enshrine your approach to risk in a formal risk management framework.

Other elements include risk identification and assessment, and a risk register to record the information. A risk register is an important way of capturing the main risks you face, and the controls you have in place to help you mitigate them. The risk register also

enables you to share this information regularly with your board and to have a clear view at any given time of the relative status of your risks and controls.

2.4.2 Components

Risk Management Framework

Your risk management framework should set out your approach to risk management, including the methods you use to identify, record, and manage risks. It should also state how you have culturally embedded risk management as a way of thinking about all aspects of your work. Your board should have oversight of the risk framework and should decide the overall level of risks that the organization is willing to take—this is referred to as the risk appetite.

Your risk framework should also indicate how risks can be escalated within the organization; that is, included in onto the risk register, regardless of where they are first noticed and who has noticed them. Risk management is a collaborative endeavor and requires the involvement and understanding of all of your staff.

In larger organizations, risk management may happen at team level as well as at corporate level. It is important that you are clear about your own approach and ensure that the different levels of risk management are coherent and can speak to each other—for instance, an operational-level risk identified within one team may take on more prominence and need to be escalated onto your corporate risk register for a period of time.

When introducing risk management into your organization, it may be helpful to establish an internal risk management group to assist with risk process development, awareness raising, internal training, and ongoing implementation and monitoring. It may also be worth appointing a senior manager as your “risk champion” to ensure that risk management becomes an embedded cultural norm.

Risk Identification

Risk identification may occur through general day-to-day recognition of new risks, but it is also a good idea to conduct a regular review. It is usually sufficient to do this exercise internally, but you may also benefit from commissioning an external risk review from time to time (perhaps in relation to individual electoral events).

A workshop involving a diverse range of staff will give you a wider and more comprehensive view of your risks. A good place to start is your corporate strategy, since risks should relate to objectives. Consider what the potential risks to delivering your objectives might be.

It may also be a helpful prompt to consider some common categories of risk, and to use the PESTLE model to consider external risk factors that may have a bearing on your work ([see Risk identification tool.pdf](#)).

Risk Statement

Risks should relate to objectives: What are you trying to do? What might happen that could get in your way?

You will find that you have some generic risks with the potential to affect all of your objectives—for instance, cybersecurity threats, financial risks, or staff capacity and capability risks. Other risks will relate to a particular objective.

Once you have identified your risks, consider carefully how to state each one. The risk is the potential event leading to an impact, not the impact itself. However, you should also specifically state what the potential impacts would be if the risk occurred. Make sure your risk statements are not simply the opposite of the objective (failure to achieve the objective). You need to state precisely what could cause you to fail.

For instance, if your objective is to catch a flight to get to an important conference, your risk statement should not say “failure to arrive in time.” A correct statement could say: “Missing my flight makes me late, with the effect that I miss all or part of the conference.” This risk is clearly stated and can be controlled, for example, by ensuring that you set off in plenty of time for the airport.

In the world of political finance regulation, an example of a risk statement might be: “We may anger powerful politicians by taking strong enforcement action against them, resulting in accusations that our oversight body is politically biased and should be abolished.” The control mechanisms could include publishing a clear enforcement policy, having written procedures in place for staff to follow, and implementing solid communication and stakeholder engagement strategies.

A useful formula for writing your risk statements is:

- There is a risk of X (an event), caused by Y (a causative element), resulting in Z (the impact on your objective).

Risk Assessment and Scoring

The likelihood and impact of the risk materializing should be considered for each risk. It is also useful to think about the inherent (raw) risk and compare this to the residual risk:

Inherent risk is the exposure arising from a risk before any action has been taken to manage it.

Residual risk is the exposure arising from a risk after effective controls have been put in place to manage it.

It is common to use a 1–5 scoring system for the likelihood and impact of each risk, where 1 is very low likelihood or impact and 5 is very high likelihood. One score is multiplied by the other to get an overall risk score, which can then be rated as low, medium, or high (see [Risk scoring matrix.pdf](#)).

Using the example of the risks arising from taking strong enforcement action against powerful politicians, you might rate the likelihood at 4 with the impact of the risk at 3. This would give an overall risk score of 12, which would rank as a high risk.

Scoring risks is not always an exact science—for instance, it is easier to make a quantitative judgment about a financial risk compared to a reputational risk. The quality of the conversations you have about each risk, and the effectiveness of the control measures you put in place, are more important than the score.

Similarly, the score itself is not the end of the story. For each risk you should also consider what level of risk would be acceptable (sometimes called the risk tolerance or risk appetite). This will vary from risk to risk, and will depend partly on what degree of risk your organization is willing to accept, since risk-taking is sometimes essential when pursuing ambitious outcomes. In the example of taking enforcement action against potentially powerful politicians, one could argue this is an inherent risk in overseeing political finance regulations and that failure to act because of that risk would undermine the institution's legitimacy. As such, it is within your risk tolerance.

If your residual risk score exceeds the tolerance you have set for the risk, you will need to consider further controls. It is also worth noting that your residual risk score should be lower than your inherent risk score since effective controls should reduce the score. If this is not the case, it is worth looking again at your inherent and residual risk scoring, and reviewing whether the controls you have listed are relevant.

Risk Controls and Mitigations

Controls to lessen the likelihood or impact of the risk should be added to your risk register, and each control should have a clear owner who will ensure the relevant actions are taken. There are four main ways of managing risks—known as the “Four Ts”:

- **Tolerate** the risk—in other words, the organization can live with this risk, and you will put no measures in place to mitigate it.
- **Treat** the risk to constrain it to an acceptable level by taking actions that reduce either the likelihood or the impact.
- **Transfer** the risk—for example, you may be able to take out insurance against the risk or to move the risk to an external supplier.
- **Terminate** the activity giving rise to the risk, thus removing the risk completely.

Typically, most controls will be aimed at treating the risk. In the enforcement action scenario, there are a number of controls that could be instituted to reduce the risk. As noted earlier, you could publish an enforcement policy that sets out the criteria used when taking enforcement action. You most certainly will want to have written procedures in place to guide staff in their work and require staff to declare any possible conflicts of interests in matters assigned to them. Good stakeholder engagement will enable you to convey how you work and your commitment to impartial decision-making. And a well-considered communication strategy could help deflect the impact of accusations of bias and counter the calls for the institution's abolishment.

Once you have identified controls for each risk, these should be reviewed and evaluated regularly for effectiveness—an activity known as risk assurance. Your reviews should consider the status of the controls listed and should include fresh consideration of the residual risk score against the tolerance level you have set for the risk.

The frequently used term “three lines of defense” refers to the different levels at which risk management activities occur within an organization.

- First level: management and internal control measures, owned and implemented by management.

- Second level: risk management or oversight functions that ensure effective risk management is in place.
- Third level: internal audit, independent from management, to evaluate how effectively the organization is managing its risks.

There is also external assurance, which sits outside of the organization—for instance, external auditors or independent regulatory or accreditation bodies that provide scrutiny.

These levels of risk management may be useful to bear in mind when you are considering what controls you could put in place to manage each risk.

General Risk Register

Your general risk register should be a living, dynamic document that is regularly reviewed and updated. The design of your risk register is a matter of choice, but it should contain:

- Delineated, well stated risks, and information about the possible causes and impacts of the risk materializing.
- An inherent risk score for each risk, assessing the likelihood and impact of the risk if no controls were in place.
- A list of the controls or mitigations in place for each risk.
- A residual risk score for each risk, assessing the likelihood and impact of the risk with effective controls in place.
- A tolerance score (or risk appetite) for each risk, stating the level of risk the organization is prepared to tolerate without instituting further controls.
- An owner for each control.

You may also choose to add some management commentary about the current status of each risk, especially when submitting the latest version of your risk register to your board or audit committee for consideration.

Risk should be removed from the register (or marked as closed) once the risk has passed or the level of risk has decreased to a very low level. Some organizations remove risks as soon as they reach a “low” score (4 or less); however, if your organization’s risks are volatile, it may be wise to retain low-scoring risks for a period of time in case the score increases again.

For an example of a general risk register template (see [Example of risk register layout.xlsx](#)).

2.5 Performance Management

2.5.1 Overview of Performance Management of Operations

What Are Performance Management and Performance Measurement?

Performance measurement is the regular monitoring of metrics that an organization has decided are useful. The purpose of the measures is to enable management to discern whether the delivery of objectives is progressing smoothly, and to have oversight of whether the relevant internal processes that contribute to delivery are functioning effectively. If any of the measures are not on track, management can then consider whether any intervention is needed to bring about improvement and to manage performance against set objectives, based on the performance measures.

The agreed set of performance measures (usually stored in a document or spreadsheet) is sometimes referred to as a “scorecard” or “balanced scorecard.” The raw data collected from month to month is analyzed and used to generate management reports.

Performance management occurs when decisions are made, actions taken (which may include a decision to continue with no change where the data indicates all is proceeding as planned), or new goals set, based on consideration of the latest performance data.

Why Performance Management Useful?

In short, what gets measured gets improved. Monitoring and analyzing performance is an important way of measuring effectiveness. It helps you to detect and understand problems and identify improvements.

Some fluctuations in performance over time are natural and inevitable. Minor fluctuations may come and go, but they should still be monitored so that you notice any emerging trends. Understanding the reasons for the fluctuations can yield valuable information that leads to improvements that make performance better or more stable. Major fluctuations will probably be obvious, with or without measurement, but armed with some proper performance data you will be able to understand what is going on more readily. Longer, slower changes over time may not be apparent at all if data has not been collected, which could mean performance gets worse without any action being taken.

Monitoring your metrics will provide insight, flagging up when something has changed so that you can investigate why it is happening and work out what to do to improve performance. It can also tell you if a particular measure is no longer valuable and perhaps should be replaced.

What Does Performance Management Involve?

It involves:

- Identifying and crafting a good set of indicators that support objectives.
- Setting up a performance scorecard tracking system.
- Regular measurement and recording.
- Management commentary and reporting.
- Regular controls to ensure that performance data is being reported by staff accurately and consistently.

Although you will want someone central to run the system and ensure that tracking, reporting, and data quality checks occur, the wider organization will need to commit to providing the raw data and giving management explanations for fluctuations on a regular basis. It is important that staff contributing to the performance management system understand what they need to do, why it is valuable, and why accuracy and consistency are paramount.

2.5.2 Elements of Performance Management

2.5.2.1 Setting Key Performance Indicators (KPIs)

It is important first to identify what is, and what is not, meaningful to measure. There are many things you can measure—the question is whether they are worth measuring. Will doing so tell you something valuable? And if the **measure does not achieve its target**, is there anything you can do about it?

For instance, counting the paperclips in your stationery cupboard will not tell you anything useful about the efficiency of your stationery ordering system. Even if there are too many or too few paperclips in the cupboard at the time, counting them will not tell you whether something has gone wrong with the ordering system or whether there are any trends in the number of paperclips available. And knowing the number of paperclips will not have any substantive effect on your ability to achieve the goals set out in your strategy.

The starting point for determining the right key performance indicators should therefore be your strategy, rather than making a list of “things you can measure.” Your KPIs should relate as directly as possible to your goals. You can find more information about KPIs [here](#) and [here](#).

For instance, let us suppose you have just launched a new website with extensive guidance on the rules governing political finance and information about the activities you undertake. Let us further assume that your goal is to ensure that as many people as possible are aware of the website and can find the excellent information you are providing there. You will want to know how well you are doing in working toward that goal. So you could set a KPI to track your progress, with a target of achieving, say, at least 500 new home page views per month. The number of unique page views is measurable and useful to collect. That way, when you promote the new website on social media in a given month, for example, you will be able to measure the difference between the number of page views before you publicized the website, the number of page views afterward, and how long the positive impact of your efforts lasted. You will also be able to see when you are not achieving your target and should do more, or something different, to promote the website to a wider audience.

Another KPI for political finance oversight institutions might be the percentage of annual financial reports political parties submit on time. This type of indicator serves a dual purpose. First, it ties into goal of promoting transparency of political finance. Second, it demonstrates that you have some responsibility for getting parties to comply with the law. Your stakeholder outreach, training, and guidance efforts should help bolster a

higher level of compliance with reporting requirements. If you fail to reach the KPI of percentage of reports filed on time, then you may need to consider what improvements you can make in assisting parties to understand and meet the filing deadlines.

Other examples that might be relevant for political finance oversight institutions include:

- The speed at which data is processed, checked, and published; for example, in the context of supporting transparency by publishing information about donations or spending.
- The percentage of positive responses from stakeholder surveys; for example, measuring whether your training helped stakeholders to understand their responsibilities, find information, or complete forms.
- The achievement of key milestones or adherence to budget for key projects; for example, the introduction of a new system.

There will also be some functions within your organization that are vital to the delivery of all of your objectives, regardless of what they are—for example, your finances and budget and your workforce, without which you will not be able to deliver anything. So you will also want to establish some KPIs around those—for instance, to monitor your balance figures and your staff turnover or sick leave.

It is also possible to set performance measures that are future-focused, relating to the future realization of objectives—for instance, “By X date we will produce publication Y.” These measures function rather like the milestones you would set when planning out a project—as markers along the route from A to B. Such performance measures, sometimes referred to as objectives and key results (OKRs), would only be retained for the duration of the objective they relate to.

In comparison, KPIs are normally long-term, and relate to the quality of ongoing delivery rather than to reaching short-term objectives.

It is perfectly permissible to have both types of measure in your scorecard.

For information about how to design effective performance metrics, see [Hints and tips guide.pdf](#).

[\(to KPI template and test tool.pdf\)](#)

2.5.2.2 Types of KPIs

There are many types of KPIs. The main ones are listed below to help prompt your own thoughts about what would be useful in your own organization:

Lead Indicators

A lead indicator is a measurable variable that influences your future success.

For example:

- If you wanted to get fit, a good lead indicator might be the number of hours you spend in the gym each week.

- If you wanted to make sure chief financial officers know the rules they should adhere to, a good lead indicator might be the number of them attending training workshops.
- If you ran a building site, the percentage of people wearing hard hats would be a lead safety indicator.

Lead indicators can be useful if there are certain measurable prerequisites for success. However, they are forecasts of success rather than standalone indicators of success, so they should be used in balance with other indicators that measure actual outcomes. For instance, spending three hours per week in the gym will not, on its own, guarantee that you get fitter; neither is it the only factor in getting fit. You would need to measure your actual fitness in some way to know for sure, but spending that time in the gym certainly makes it more likely that you will become fitter overall.

Lag Indicators

A lag indicator shows actual performance after the event.

Using the examples from the paragraph above, good lag indicators might be:

- The number of minutes you can run on a treadmill or the number of push-ups you can do in one go.
- The number of annual reports submitted by the deadline.
- The number of accidents on your building site or the number of accidents resulting in injury.

Lag indicators are generally more numerous and easier to identify. They are a good way of measuring performance over time and of detecting the impacts of change (for example, a new process).

Input Indicators

Input indicators relate to the resources available to you for reaching an objective. They are measures of the availability of resources, or a way of tracking the efficiency with which you are using the resources, and they are especially used in large projects.

Some examples would be staff time, budget available, or the rate at which materials are being used up.

Output Indicators

Output indicators are often used to measure the delivery of products or outcomes.

Examples include financial surplus or profits, the number of people helped, the number of training courses delivered, or the number of leaflets distributed.

Process Indicators

Many of the KPIs you set will relate to the performance over time of a particular system or process. For instance, how long it should take to complete a particular process from end to end; for example, resolution of IT support tickets or handling of complaints.

The data collected can help to show whether any aspects of the process could be more efficient, or might require additional attention or resource. These indicators are also

useful for spotting externally or internally driven changes that are impacting on your processes, so that you can address them.

2.5.2.3 KPI Tracking

After agreeing what your KPIs should be, you will need to establish a system for collecting performance data.

First, it is vital that the staff who will be responsible for providing the data are given a good understanding of how it will be used and why it is important. It is also important that any necessary training in how to source and report the correct indicator data is provided, so that you have confidence in the data supplied.

Team managers should also be involved, since they will need to provide some management commentary alongside the data to provide context and explain the data. For instance, if you are tracking a KPI about the response time to public enquiries and this is below target in a given month, it would be helpful to know if a particular issue that month resulted in twice the usual number of enquiries, explaining the dip in apparent performance.

You will need to provide somewhere for people to put their data. This is usually done in a spreadsheet, with one staff member taking on overall management of the spreadsheet and reporting. This performance manager can then prompt other staff to supply their data on a monthly basis (or any other agreed reporting frequency), and they will review the data provided and turn it into a regular management report for your senior team and/or the board.

Ideally, the person responsible for running the system should be numerate and capable of using a spreadsheet; for example, working with formulas and performing common sense checks on the validity of data entered. It will be necessary for them to have a deep understanding of the KPIs themselves.

Periodic controls should be done, comparing the information provided with the source data for each KPI, to check that the staff responsible for entering the data into the tracking spreadsheet have been doing so consistently, accurately, and from the correct source. Mistakes can lead to misinterpreting performance, and they can also be embarrassing; for instance, if retrospective corrections have to be made to board performance reports.

[\(Performance tracking spreadsheet.xlsx\)](#)

[\(Model performance report.pdf\)](#)

2.5.2.4 Management Commentary and Reporting

You may track as many KPIs and OKRs as you wish, but it is best to try to limit the numbers. Pick those that tell you the most valuable information. A suggested limit would be 12 KPIs and 5 OKRs.

After receiving raw data from teams around the organization on, say, a monthly basis, a report summarizing the latest performance data should be produced for review by the senior team and/or the board.

This report should include an executive summary highlighting key performance information—for example, consideration of any indicators on which you are currently performing poorly (red indicators)—and any new indicators or adjusted targets since the last report.

For your most important indicators, it may be useful to include a graph showing performance trends over, say, the last six months, alongside management commentary to explain or highlight any variations or dips in performance.

You may also sometimes need to make recommendations for actions to improve performance, since this may require changes to processes or additional resources, and such changes may have other implications that need to be considered at senior level.

2.6 Stakeholder Engagement

2.6.1 What Is Stakeholder Engagement and Why Is It Important?

Political finance regulation is of interest to many stakeholders, and not all of their interests will be the same. For example, political parties and candidates may not share the same interest in transparency as civil society organizations, and academics may have a different perspective on what constitutes adequate transparency than that held by journalists. [Political finance regulators](#) need to understand different stakeholder perspectives to reach the best decisions. This will sometimes involve compromise, and not every stakeholder will be satisfied every time with the decisions taken.

Understanding stakeholder views is therefore vital and is primarily achieved through engagement. From the outset, stakeholder engagement should be viewed as a two-way process. It enables you, as the oversight institution, to communicate key messages to stakeholders and it provides you with a means to get input from them that can make your job easier and/or more effective.

Stakeholder engagement can be [defined](#) as “the systematic identification, analysis, planning and implementation of actions designed to influence stakeholders.” It is a structured process used to achieve a better understanding of the different perspectives, needs and motivations of those with an interest in your organization. This understanding can then inform how best to engage with each stakeholder. The importance of solid stakeholder engagement should not be underestimated for political finance oversight bodies, as it can be an effective tool to:

- Help ensure high rates of compliance by those who must comply with the law.
- Increase visibility and educate voters about money in politics and how it is regulated.
- Garner support from government sources for resources or changes in the law.

- Promote good working relationships with other public institutions.

How To Develop a Stakeholder Engagement Plan?

The first step is to undertake a [stakeholder analysis](#)—a technique used to identify who is affected by the oversight institution’s work and how best to engage with them. This process will help you think about how to:

- Gain support of key people/groups or minimize their opposition.
- Draw on their input to make your work more successful.
- Allocate your time and efforts.

The second phase of developing a stakeholder engagement plan consists of using the results of the stakeholder analysis to prioritize which stakeholders warrant the most of your attention. Those who rate as having both the greatest interest and the greatest influence will be the stakeholders you need to focus on the most. By contrast, those who have the lowest level of interest and the least amount of influence may only require minimal, but regular, contact.

Having prioritized your stakeholders, you will need to come up with a plan for how to engage with each one of them. In developing the plan, it is important to learn more about each stakeholder’s interests, what they want from you, and the type/method of engagement that suits them. It is also relevant to consider how they can help/harm your work overseeing political finance and, having done so, to assess what type of information you wish to share with them. Finally, it is good to consider whether to formalize your engagement arrangements. There are a variety of ways to do so ranging from a formal memorandum of understanding (often used when the stakeholder is another public body) to regular meetings (often used with political party panels).

In addition to your general engagement plan for key stakeholders, it can be very beneficial to develop stakeholder engagement plans for specific projects or events. Such targeted plans help ensure that you consider all key stakeholder issues arising from the specific project or activity in question ([see Stakeholder engagement template.pdf](#) and [Hypothetical stakeholder engagement plan.pdf](#)).

2.6.2. Undertaking a Stakeholder Analysis

The first step is to identify your stakeholders. Ask yourself:

- Who is influenced/affected by the work of the oversight body?
- Who has influence/power over you?
- Who is interested in what you do?

There is no one set of answers to these questions that will apply to all political finance oversight institutions. However, it would be likely that these questions would generate a list of answers that would include political parties, candidates, and other regulated entities; civil society organizations; media and investigative journalists; ministers and parliamentarians; academics; and voters. These are just examples and you will definitely want to add to and subtract from this list depending on your situation.

The second step is to consider each stakeholder's role by asking yourself:

- How is each stakeholder affected by your work?
- Why are they interested in your work (for example, what motivates them)?
- What influence do they have over you?
- Who are your natural supporters and who are your key challengers?

The third step is to chart your stakeholders on the following grid according to their respective levels of interest and power:

Having plotting out your stakeholders on the grid based on their influence over your institution and their level of interest in your work, you can begin to prioritize the level of engagement each requires, using the grid below:

2.7 Continuous Improvement Opportunities

It is tempting to think your job is done once you have set your strategy, developed your corporate and operational plans, and undertaken the scheduled work. However, there is another very significant step to undertake—to review what has transpired and assess where improvements can be made. In addition, there are other avenues to explore including learning from the experience of other political finance institutions, undertaking training programs, and seeking assistance from international organizations.

Internal Reviews

Internal reviews can greatly enhance your internal accountability, and in planning such reviews you can benefit from referring to the IFES [Autonomy and Accountability Framework](#). The type and scope of internal review undertaken should be commensurate with the activity and its importance in delivering your objectives. For larger, more significant projects such as the development of a new e-filing and reporting database, you will probably want a more formal process. Formal reviews might entail:

- Establishing a review committee involving representatives from various departments within your organization.
- Writing terms of reference for the committee that sets out the scope, methodology and timeline for the review.
- A mechanism for the committee to report on its findings and recommendations.

Not all reviews need to be undertaken on such a formal basis. Some can be done on a team basis; for example, a systematic review of the process for receiving and controlling election finance reports could be undertaken by staff members and managers within the political finance unit. Again, guidance should be provided to staff about why they are undertaking the review (for example, to assess what worked well, what could be improved) and what areas they should focus on.

In addition to systematic reviews, where an entire work process is looked at in detail, you can review internal procedures on an ongoing basis through quality audits. These audits allow you to assess whether current procedures are being followed or need to be improved. In some cases, staff may have failed to understand the procedure; in others,

the procedure may need to be altered and improved. For more on quality audits, see [What Are Quality Audits and Why Conduct Them?](#).

External Reviews

In many countries, there are state audit offices that undertake reviews to ensure public institutions are delivering value for money. It may be worthwhile to propose an area within the political finance unit's remit for such a review. There are also commercial companies whose services can be retained to assess the development, testing, and rollout of large technical projects. In either case, having an outsider perspective on your operations can be informative. To make such an exercise worthwhile, you will have to dedicate sufficient effort and time to educate the external reviewer about what you do, why you do it, and how you do it. Otherwise, their findings and recommendations may not be well founded or meaningful.

Training Programs for Staff

As detailed in the section on [ensuring appropriate resources to deliver the oversight institution's role](#), the political financial oversight role requires staff with a variety of skill sets and experience. It is unusual to be able to recruit staff who have all the ideal skills and experience. This can be addressed by ensuring ongoing training and learning opportunities for staff.

Examples of staff training options include:

- Tailored programs in specific areas such as financial audits, investigations, and guidance delivery.
- A guest speaker series featuring presentations by local experts in related fields; for example, academics who specialize in elections, former election campaigners, or representatives from civil society organizations.
- A monthly session where staff are encouraged to share and discuss their experiences on a given work-related topic or theme; for example, assessing the valuation of in-kind donations, a recently closed investigation, or a problematic review of an annual report.

Participation In or Creation of Regional Networks

It is useful to access peer support from other organizations and networks around the world or in your region. Some networks may only be just starting to address political finance issues, but your involvement can help shape the dialogue and give prominence to this area.

In some parts of the world, political finance practitioners have formed associations to share knowledge and experiences. For example, the [Council on Government Ethics Law](#) (COGEL) is a professional organization for government agencies and other organizations working in ethics, elections, freedom of information, lobbying, and campaign finance. Although its membership comes predominantly from North America, membership is open to entities from around the world. COGEL collects and publishes data on campaign finance regulation and holds annual conferences.

There is no reason why political finance oversight institutions in other regions cannot come together to explore common issues and challenges. It will require some effort to organize meetings, whether in person or virtual, but the rewards can be immeasurable. Being the political finance regulator can be a lonely and challenging role and connecting with others who occupy similar positions in other countries can foster solidarity and a valuable exchange of experiences and lessons learned.

Part 3 Operational Delivery

This part of Oversight—Toolkit for Political Finance Institutions focuses on how you as an [oversight institution](#) can deliver the remit you have been given in overseeing the political finance regulations in your country. It is intended as an operational guide to some of the key day-to-day activities you may need to undertake. These range from preparing reporting structures to the receipt and review of financial report, investigations and, as relevant, sanctioning. This part also deals with the development of procedures for oversight, stakeholder engagement, and policy development.

3.1 Oversight Institution's Role(s)

This section focuses on how to take on the different roles that you as [political finance oversight institution](#) may be assigned by legislation or other regulations. This includes [advisory services](#), the [publication of financial reports and your actions](#), [policy development](#), and work to [increase public awareness about money in politics](#). Not all political finance oversight institutions will have all of these roles.

Note that [compliance control mechanisms](#), [handling issues of noncompliance](#), [ensuring appropriate resources to deliver on your role](#), and [operational policies and procedures](#) are dealt with in later sections.

3.1.3 Publication of Financial Reports and Your Decisions and Actions

The key principle expressed in Article 7.3 of the [United Nations Convention against Corruption](#) about party and campaign finance is [transparency](#). This cannot be achieved unless received financial reports are published in a way that is accessible to average voters and also to those who may be more likely to reach the voters, the media in particular. In addition, clearly publishing information about your decisions and actions can help [inform the public about your activities](#).

The amount of data included and the modern tools of communication used mean that there is only one form of publication of political finance data that matters, and that is online publication. Even if there is a legal requirement for financial reports or summaries of reports to be published in a specific outlet, such as in a national gazette or similar, this does not mean that data cannot also be published on your website. Assuming that centralized, online publication is not specifically or explicitly prohibited, the principle of transparency means that you should use the most transparent publication approach that

your resources and external factors allow, so that the people have access to relevant information.

All political finance oversight institutions can, barring legal prohibitions, publish received financial reports from political parties and electoral contestants on their website. The minimum requirement is a computer and a scanner to create electronic versions of submitted hard copy (paper) reports, plus at least a dial-up internet connection. At the other end of the spectrum are systems where parties and electoral contestants submit financial reports electronically, meaning that the data is already in an electronic format and can be easily [prepared for publication](#).

The fact that your institution publishes the data received from different political parties or electoral contestants does *not* mean that you take responsibility for the accuracy and completeness of this data—the responsibility for any inaccuracies or omissions remains with the submitting entity. This means that data can be published *before* any review has taken place. You may subsequently engage the reporting entity in ensuring that the published data is more accurate and complete, in order to increase the relevant information available to users of the data publication. In this case the focus is on ensuring the availability of financial data to the public, rather than on the [review of submitted financial reports to detect inaccuracies or omissions](#) that may entail violations of the regulations.

The [case of Finland](#) is particularly relevant here. In its system, the political parties upload their data in a database maintained by the oversight institution and this data is directly available to the public. This means, in line with legislation, that the oversight institution is not involved in the publication of data, apart from providing the system for parties to upload the data to.

These are important actions that you should consider regarding the publication of financial data:

- [Overall planning of data publication.](#)
- [Connecting reporting and publication.](#)
- [Making sure that data is published in a user-friendly format.](#)
- [Managing the publication of data.](#)
- [Publishing information about your decisions and actions.](#)

A useful guide to the electronic publication of political finance data (in that document referred to as “disclosure”) is International IDEA’s [Digital Solutions for Political Finance Reporting and Disclosure](#).

3.1.3.1 Overall Planning of Data Publication

The starting point for developing an online publication approach should be an internal discussion establishing answers to these questions:

- What is the purpose of the publication system? What goals should it achieve?

- What legal provisions are relevant for the publication system—both requirements for publication and limitations, including privacy provisions that may exist in other legislation?
- What data (reports) should be published in this system?
- Who submits the data (reports) that should be published?
- What steps need to be taken to develop the publication system?
- What should be the process of consultation and user testing?
- What cybersecurity considerations are needed?
- How can the data be backed up securely?
- How can the system be made accessible to persons with disabilities?
- [How can the publication system be measured and evaluated?](#)

It can be useful to create a project plan for the online publication system, such as the one in Annex B in [this document](#) (based on the U.K. Electoral Commission’s PEF Online reporting and disclosure system).

The consultation process must include both those who will be required to submit reports that will be published—in most countries political parties and electoral contestants—and likely users of the publication system, such as civil society groups and media outlets, and possibly also academics and other public institutions. For more information about the importance of civil society and the media in raising awareness about political finance, see the [section on increasing public awareness](#).

Do expect that the [views and preferred solutions will vary between these stakeholders](#). Those required to submit financial reports are likely to wish for the system to require little work from their side and for the data included to be limited. On the other hand, civil society groups are likely to ask for vast amounts of data that can be downloaded and analyzed. Expect journalists to focus on readily available data published quickly, and where possible including ready analysis by your institution. Developing [infographics and similar visually appealing messages](#) can assist your institution in getting its message across in the media, though you need to be careful in ensuring that any analysis you provide does not lead to your institution being accused of political bias.

Academics will be less focused on data being available quickly, but are likely to request access to raw data that has been submitted. They will benefit from the data being available for download in a [user-friendly format](#).

In general, you should be ambitious and focus on a high level of transparency, but it is also important to be realistic. Remember that the system you develop must be sustainable. If the system is being developed with assistance from international actors, consider how it can be maintained when such assistance may no longer be available.

Most persons working for oversight institutions are not IT experts; it is recommended that IT expertise is brought in at an early stage to ensure that it is possible to create the envisaged system with existing resources. Persons with expertise in ensuring that

systems are accessible to person with disabilities (often disability advocates) should also be brought in to provide input on how the publication system be made accessible to all. Whoever is brought in to assist with the system, you must make sure that you always retain ownership of the development process and the final output.

You should also consider what legal or other limitations that may exist regarding the publication of submitted financial data. This can relate to privacy concerns, such as publishing the addresses or ID numbers of donors. For example, in Sweden, the law on political finance oversight allows publishing the identity of legal entities making donations, but for privacy reasons bans publishing online the identity of private individuals making donations. Limitations on publication can also relate to thresholds of donations—for example, the law may say that the identity of donors can only be published if they have donated more than a certain amount during a given period. In such cases, you must ensure that you have a system allowing you to sum up the total value given by the same donor. This will be easy if your data includes unique ID numbers but very complicated if, for example, many donors have the same name. In South Africa, a donor can formally request that personal information is not published. The Electoral Commission must then decide whether to agree to this request, taking into account among other things “the public interest in disclosing the information in question and whether it outweighs [the need for anonymity]” (Article 2, [Political Parties Funding Act Regulation 2021](#)).

3.1.3.2 Connecting Reporting and Publication, and Preparing Data for Publication

One factor influencing how you can publish received financial reports is [how these reports are provided to you](#). If they are provided in hard copy (paper) format, and especially if the reports are filled in by hand, then you will have to act differently than if the reports can be filed through data entry on your website or through the submission of electronic files.

If you are developing an electronic reporting system, make sure that it is designed from the beginning to allow for the data being made public without hassle (possibly without any intervention of the oversight institution). If a system is used whereby political parties or electoral contestants send financial reports using electronic files such as Microsoft Excel documents, have an IT expert check that the forms being developed are designed so that the data can easily be “scraped” and entered into a database. If you end up in this situation, try to ensure that those submitting reports can only enter information in the expected manner, and not alter the form in any way, since this may hinder attempts to scrape submitted data into a database. This can, for example, be done by protecting cells in Microsoft Excel or by using form-enabled PDF files (the latter can however be a little tricky).

Finally, remember that financial records can be entered into an electronic database even if they are submitted to your institution in hard copy (paper) format. This is most easily done through having staff of your institution, people borrowed from other institutions, temporary hires, or even volunteers manually enter data from paper submissions into a database. These individuals should only require basic training and need have only basic computer skills. If you are worried that people may intentionally or

unintentionally make mistakes in entering data, a system can be set up where the same data must be manually entered by two different people, and have the system set up so that it rejects any cases where the entries do not match. While manual entry will certainly require some effort, a great advantage—apart from being able to publish the information in an easily accessible format—is that this will also greatly assist your review of received reports, including [cross-checking the data with other data sources](#).

If nothing else works, with a simple computer and a scanner you can create electronic versions of any received files. If these have been filled in with a computer originally, it may even be possible to scrape data from these electronic files and enter into a database automatically (seek advice from an IT expert on how this could be done). On the other hand, if a report has been entered by a political party or an electoral contestant using a computer, you should ask yourself why you do not have access to that electronic file instead of a printout or a PDF file.

In some countries, legislation requires that reports be signed by hand, which may require the submission of hard copy (paper) reports, even where these have been filled in using a computer. In such situations, it may be possible to reach an agreement with those required to submit reports that they fulfill the legal requirements by submitting a signed hard copy of reports, but at the same time submit the information in electronic format. For example, they can fill in a Microsoft Excel reporting form provided by the oversight institution; then print, sign, and send a hard copy (paper) version of the report; and email the same file to the oversight institution.

As discussed in the [section on advisory services](#) and the [section on preparing reporting](#), it is essential that you provide careful guidance to political parties and electoral contestants on how to submit their financial reports. If they do not submit their reports accurately, you will not have data to publish (or at least not have the data in the expected format).

Here are some examples of guidance materials specifically provided for electronic reporting:

Australia: [Guidance on Submitting Financial Reports Using the eReturns system](#)

Bosnia and Herzegovina: [User Guide for Submission of Financial Statements Using the Application “FI CIK BiH”](#)

Brazil: [Frequently Asked Questions Regarding the Annual Accounts Rendering System](#)

Croatia: [Guide to Regular Annual Financing of Political Parties, Independent Members and Independent Councilors](#) (includes a quiz for users to test their knowledge)

France: [Guidance provided for the 2021 elections](#)

3.1.3.3 Making Sure That Data Is Published in a User-Friendly Format

Data received about the financing of political parties and election campaigning should be published in an open and accessible format. Consider the [Open Data Charter](#), which expresses the need for data to be open, timely, accessible, and comparable.

There is no technical agreement on how to publish political finance data in a user-friendly manner, and the best approach in each country depends on the data being submitted, on resources available, and on existing legislation and regulations.

Your institution should seek to publish the data so that it allows users to as much as possible access the information that they are interested in. Ideally, the database should allow users to search over all submitting entities and years/elections. For example, has a person made a donation to any political party at any time (allowing for searches across reports submitted by different political parties and election contestants over the years)?

If you have data from earlier years/elections, consider how this can be made available to increase the information available to the public. Start with publishing the newest data available when the online publication system is created, since that is what users will be most interested in. Then go backward in time and add older reports. Be aware that adding older reports to the publication system may be more complicated and demanding as systems and definitions may have changed over time. See more in the section on [managing the publication of data](#).

Information from received financial reports can be published in [static tables or graphs](#). Such an approach can be very valuable for journalists and others interested in getting an immediate overview of the data. However, note that such tables do not themselves make it possible for users to explore the provided data.

An important issue if you are publishing graphs and summaries of data is how far a public institution can go in analyzing received data before its neutrality may become questioned. It would, for example, not be a problem to report how much of the total party income that parliamentary parties receive is from public funding on average. However, if you emphasize how much each individual party received from, say, property developers, or if you publish that a certain party received 90 percent of private donations from only ten donors, it is possible that accusations of bias may be made.

If you are publishing a database with received financial reports, make sure that data can be downloaded. One of the most common approaches for the publication of databases is through a [comma-separated values \(CSV\) file](#), which is a simple text file where the data is separated by commas. Note that if the comma symbol (“,”) is commonly used in writing numbers in your country, either to separate thousands or decimal numerals, exporting data in CSV format may lead to it being inaccurately displayed. In such cases, depending on the structure of your data, you may wish to consider using a [tab-separated values \(TSV\) system](#) instead.

If you use the CSV format to publish the information, make sure it is possible to understand the data once a user has downloaded it, as there is a risk that CSV data comes out in a very confusing manner, even when users can modify the files through software such as Microsoft Excel. For example, the system in [Sweden](#) has limitations while a more user-friendly approach is used in [the United Kingdom](#). In South Africa, the [Electoral Commission](#) allows users to download a summary of reports in Microsoft Excel format.

Political finance data and the regulations that control them can be very difficult to understand for those who are not accountants/auditors or financial/legal experts. Make sure that complicated terms and concepts are clearly defined and explained whenever possible. Also consider the users when preparing these explanations—it may not be possible to explain very complicated concepts to average citizens, so you may wish to consider having several levels of explanations of key concepts, with basic information for casual users and more detailed explanations for users willing to spend more time on the information. Do also consider the implications that such an approach may have on the workload of your staff.

Also make sure that the publication system you use is accessible to all your users. This can include translating certain data into different languages, as well as [accessibility for persons with disabilities](#).

There are many approaches that can be used to ensure that users can access the submitted data in different formats. In Ukraine, the National Agency on Corruption Prevention has published an application programming interface (API) that allows those with a significant interest to develop applications through which the data can be made publicly available in different formats.

For examples of databases by public oversight institutions, please click on the name of the respective oversight institution in the table below.

| Country | Institution and database |
|-----------------------------|--|
| Albania | Central Election Commission |
| Argentina | Cámara Nacional Electoral |
| Australia | Australian Election Commission |
| Austria | Court of Auditors |
| Bangladesh | Bangladesh Election Commission |
| Barbados | Barbados Electoral Department |
| Bosnia & Herzegovina | Central Election Commission |
| Brazil | Tribunal Superior Eleitoral |
| Bulgaria (party finance) | National Audit Office |
| Bulgaria (campaign finance) | National Audit Office |
| Canada | Elections Canada |
| Costa Rica | Tribunal Supremo de Elecciones |
| Croatia (party finance) | State Electoral Commission |

| | |
|-----------------------------|---|
| Croatia (campaign finance) | State Electoral Commission |
| Czech Republic | Office for the Supervision of the Management of Political Parties and F |
| Estonia | Political Parties Financing Surveillance Committee |
| Finland | National Audit Office |
| France | Commission nationale des comptes de campagne et des financement |
| Georgia | State Audit Office |
| Germany | Deutscher Bundestag (federal parliament) |
| Iceland | National Audit Office |
| Ireland | Standards in Public Office Commission |
| Latvia | Corruption Prevention and Combatting Bureau |
| Lithuania | Central Election Commission |
| Moldova (party finance) | Central Electoral Commission |
| Moldova (campaign finance) | Central Electoral Commission |
| Montenegro | Agency for Prevention of Corruption |
| New Zealand | Electoral Commission |
| North Macedonia | State Audit Office |
| Norway | Ministry of Local Government and Modernization |
| Portugal (party finance) | Constitutional Tribunal |
| Portugal (campaign finance) | Constitutional Tribunal |
| Romania | Permanent Electoral Authority |
| Serbia | Anti-Corruption Agency |
| Slovakia | National Council |
| South Africa | Electoral Commission |
| Sweden | Legal, Financial and Administrative Services Agency |
| Thailand | Election Commission |

| | |
|----------------|---|
| Tunisia | Instance Supérieure Indépendante pour les Élections |
| Ukraine | National Agency on Corruption Prevention |
| United Kingdom | Electoral Commission |
| United States | Federal Election Commission |

3.1.3.4. Managing the Publication of Data

In this section we consider some practical considerations for the planning, original publication, and maintenance of received financial reports.

As mentioned earlier, the system must be based on [careful planning, consultation with internal and external stakeholders, and field-testing](#).

One issue to consider is the likely workload for the uploading and maintenance of the publication system. You will need to ensure that you have the necessary personnel available, noting as well that the times of financial reporting deadlines tend to also be times when oversight institutions have an especially high workload also in terms of the [review of the same reports](#), as well as in terms of stakeholder engagement. This can put special demands on staff recruitment, and you may need to [bring in additional staff or hire outside IT support](#). Naturally, the more automated the system is, the less staff workload you should expect (assuming that the system works). A system where you may need staff or volunteers to manually enter data received in hard copy (paper) format into a database [will most likely be significantly more demanding](#). Manually scanning paper documents for publication on your website as PDFs is less demanding, but may still require a significant temporary increase of personnel for the data to be made public quickly.

Cybersecurity considerations are very important for your publication system of received financial reports. Cybersecurity should be considered at every stage of the process. This should begin by establishing an understanding of the types of data and the sensitivity of that data while designing system requirements, and continue through making sure security requirements are reflected in procurement tenders and adequately addressed by vendor bids. Cybersecurity is important to consider across the system's life cycle and is a central part of maintenance (for example, making sure security updates are continuously applied). Finally, cybersecurity extends to making sure system components are disposed of properly with all sensitive data either removed or destroyed after a system is decommissioned. Additional consideration should be given to the design of systems that will interact with public-facing components, and the interface between the public-facing portion and the private "back-end" of a system needs to be engineered to integrate protections against unauthorized access and be resilient to attacks against the system's availability, among many other considerations. Bringing in IT and cybersecurity experts at an early stage can significantly reduce the likelihood of security problems that can hinder system efficacy and expose the system to unnecessary risk later in the process or after decommissioning. The system will need to also be integrated into larger cybersecurity incident response plans, which will need to

be updated to account for new procedures to return to operation after interruption due to cyberattacks or other problems.

Many oversight institutions will have an accumulation of received financial reports going back several years and several rounds of elections. You should consider how these reports can be made available to the public in a user-friendly format. When an electronic publication system is set up, focus first on ensuring that the current reporting system is suited to [how the data will be published](#). If you have a lot of old reports, review these to see how the system can most easily also accommodate the migration of this older data to the new publication system (even if the data has been previously published; for example, as scanned PDFs). However, do not wait until you have migrated older files to launch your online publication system—make your system available to the public as soon as the most recently reported data has been imported. If it is not possible to add older data into a system being developed for future reports, you can consider adding an “archive” where the older data is provided in its existing format.

The final consideration to stress, and one of the most important ones, is the need to test the system at all stages of its development and from various perspectives. You will need to test the cybersecurity of the system, as well as how well it manages large amounts of traffic without breaking down (stress testing). Perhaps most important is testing by potential users who have not been involved in the development of the publication system. It is very easy when you develop any system that you come to take for granted that what you develop will be understandable by all users. However, these assumptions may be incorrect, and it is very useful to have persons from different categories of potential users (for example, average citizens, journalists, civil society activists, academics, and even staff who have not been involved in system development) test the system before it is officially launched. Younger people tend to be more used to advanced technological systems, so make sure that your test panel includes persons of all ages.

See more about developing a political finance publication system through a user experience design on page 36 in [this document](#).

3.1.3.5. Publication of Your Decisions and Actions

Publishing received financial reports is essential for increasing transparency in political party and campaign finance, and for using the public to support controlling the accuracy of the reports.

To fully show that your institution is active in overseeing compliance with political finance regulations, and that it is itself transparent about its work, you should also seriously consider how to publish information about your activities and decisions.

Annual activity reports can be useful—see here for the ones published by the oversight institution in [France](#), though it is strongly advised that your institution also publishes information on an ongoing (rather than only annual) basis.

Regarding your activities, it is important that you clearly show that you have provided [guidance](#) to political parties, candidates, and others on how to comply with existing regulations. This means that every time you hold a training for party staff or

publish a guidance manual for candidates, you should make sure that this is visible on your website. Doing this not only shows the public that your institution is taking its mandate seriously; it is also useful for ensuring that people realize that the responsibility for parties and candidates failing to comply with regulations lies squarely with them, as your institution has done all it can to assist their compliance.

In addition, you should also publish information about all [engagement](#) you have with other stakeholders, including coordination meetings with other public institutions and information exchange with civil society groups. You may not always want to disclose the details of what was discussed or agreed, but at least you can publish information that such meetings were held, again helping to increase public confidence in your institution and its work.

Finally, it is important that you publish information about decisions that your institution has taken that relate to political finance. This would include decisions that relate directly to what political parties and electoral contestants need to do to comply with existing regulations, as well as decisions that relate to the way that your institution carries out oversight of political finance regulations. The publication of your decisions lets the public know that you are taking an active role in giving life to the political finance regulations in your country, and it lets stakeholders know in a timely manner what is required of them.

For example, the Agency for Prevention of Corruption in Montenegro [publishes its decisions relating to political finance](#), and the State Commission for the Prevention of Corruption in North Macedonia also [publishes its decisions](#) (as well as on other areas of its mandate) here. Another example is the [Central Election Commission of Lithuania](#).

Naturally, publishing decisions on the website of your institution may not be sufficient in ensuring that the information is received by all relevant institutions. You may wish to complement this by sending the decisions directly to the concerned political parties, candidates, and other stakeholders.

3.1.2 Advisory Services

The importance of providing good advice and guidance cannot be emphasized enough. We often focus on the oversight body's role in pursuing potential violations of the law and thus neglect their broader purpose: namely, to ensure compliance with the rules.

[Compliance assurance](#) begins with making sure those who wish to comply with the rules know and understand their legal obligations. As the oversight body with expertise in the applicable legislation and how it operates, you are best positioned to provide advisory services. If you fulfill this function well, the number of inadvertent breaches will decrease, allowing you to target enforcement resources on more important violations. Political parties and politicians are viewed negatively in many countries—reducing the number political finance violations committed can help stem the erosion of public trust and confidence in the electoral process. Moreover, focusing on advisory services helps you demonstrate that responsibility for noncompliance lies with the regulated community, not with the oversight institution.

Political parties, candidates, [non-contestant campaigners](#), and others who are subject to your country's political finance laws are likely to be the primary users of advisory

services. However, it is worth considering other audiences such as journalists, civil society organizations, and even members of the general public when developing advisory tools. These groups and individuals can be a prime audience for advisory services, as regulated entities but also as advocates for and monitors of compliance with the law.

There is a wide variety of tools to choose from for delivering advice and guidance and, subject to the legislation in your jurisdiction, you should consider using a mixture of the following:

- [Written guidance material.](#)
- [Training programs.](#)
- [Webinars.](#)
- [Frequently asked questions.](#)
- [Formal requests for advice.](#)
- Online videos (see [examples from Elections Canada](#)).
- [Hotlines.](#)

[Below](#) we discuss basic principles that may help may guide your approach when developing your advice and guidance program.

A detailed case study of advisory services provided by the Central Election Commission of Bosnia and Herzegovina is available here ([Bosnia and Herzegovina, Case Study on using new technologies to enhance reporting, communication and advisory support for political parties.pdf](#)).

3.1.2.1 General Principles for Advisory Services

When designing your advice and guidance program, it is important to consider the various audiences and their needs:

What Information Is Most Important for the Intended Audience?

Consider the needs of your audience and tailor the guidance to their needs.

Determining what information is most important for a particular audience will depend on the country's political finance system. Political parties, for example, may need to be informed of a broader range of legal obligations—for example, annual reporting or consolidated reporting of expenditure—where they have responsibility for reporting, whereas some of that information may be irrelevant to candidates if the regulatory system does not impose such requirements on them. Also, the depth and type of advice needed by established and experienced parties/candidates may differ from that needed by newer or less experienced parties/candidates.

- **When is guidance needed?** Guidance that is not timely loses its effectiveness. Information for candidates should be available during the candidate nomination process; campaign-related information for political parties ideally should be available before the regulated election period begins. Similarly, if operating a

hotline, callers need to be offered help within a reasonable time. Special efforts to provide guidance and training should be made whenever the laws or rules change.

- **Is the advisory service offered user-friendly?** Written guidance that merely repeats the law in legalistic language will not be very accessible to many users. If feasible, preparation of formal guidance should involve both legal and communication experts. It is also worth considering [accessibility issues so that persons with disabilities are not disadvantaged](#).
- **What are the limits to advice and guidance?** The primary goal of providing services is to help those who wish to comply with the law to do so. It is important, however, to reinforce their need to know the law. This can be done by including a disclaimer that the guidance is not intended to replace the law or to change its meaning. Nonetheless, at least in the absence of formal method for getting a binding opinion, your messaging should stress that by following your guidance and advice, a campaigner's actions will likely be consistent with the rules and thus diminish the likelihood of them getting into legal trouble.
- **Is the guidance readily available?** Country context will influence how advice and guidance is disseminated. In smaller countries, it may be feasible to hold centralized training programs whereas regional ones may be more appropriate in larger countries. Online webinars may be standard practice in some countries, but unreliable internet access may make this option less attractive in others.
- **How to reach your intended audience?** Publication of information online provides a resource for those who make the effort to consult the oversight body's website. Oversight institutions can be more proactive in their outreach via social media postings or by using a compiled contact database to send political parties and candidates last-minute updates, reminders, and other relevant information. It is better practice to send information directly to candidates rather than to rely on political parties to forward information to them.
- **Should requests for advice and guidance be tracked?** Tracking such requests can be helpful for a couple of reasons. First, it allows you to see where there is uncertainty about the law or its application. This enables you to highlight those particular areas in trainings, guidance and in a section for frequently asked questions ([FAQs](#)) on your website. Second, sometimes those accused of violating the law will argue that they acted in accordance with advice received from the oversight body. A record of the advisory requests and responses given can help confirm or deny such assertions.

3.1.2.2 Tools for Delivering Advice and Guidance

Written Guidance Material

Written guidance or manuals can be for setting out legal requirements and best practice for political parties, candidates, and other regulated entities such as non-contestant campaigners. The target audience should be clearly identified from the outset in the

development process, and it also may be useful to include a reference about the intended audience within the document itself.

In drafting guidance, place yourself in the shoes of the intended user. You will need to determine what information is most relevant to them and how best to present the information so that it is not overly complicated. It can be useful to include tips, to signal points that are important, and to provide references on how to get additional information. You can, for example, place flags or boxes in the margins, change the size of font, or use a different color to highlight key points.

It can be valuable to “road-test” the type of guidance produced with the ultimate users through an existing consultative committee or by asking for feedback from a sample of the intended users. It is good practice to ask users to evaluate guidance products at regular intervals or after an electoral event. This allows you to make the guidance more useful and to maintain its currency.

Below are examples of written guidance documents:

1. [Elections Canada: Political Financing Handbook for Registered Parties and Chief Agents](#)
2. [U.K. Electoral Commission guidance to political parties](#)
3. [Guidance by the U.S. Federal Election Commission](#)

Training Programs

Training programs require intense planning and thorough preparation. A good starting point is to define the rationale for the training, and then identify its objectives and who should attend the training. In selecting the participants, it may be relevant to consider whether to bring representatives from different political parties together or to hold separate trainings for each political party or coalition of parties. In some countries, political parties/candidates may not wish to engage with or share their regulatory concerns with opposing parties/candidates. Where separate trainings are held, it is important to ensure that the same information, advice, and interpretations are given to all participants to ensure consistency.

The next step is to develop an agenda for the facilitators. This agenda should set detail for each session of the training program and address the following areas:

- The time allocated to the session.
- The topical heading of what will be covered in the session.
- The identity of who will be delivering the session.
- A detailed outline of the session’s content.
- An indication of what each segment consists of; for example, presentation, group work or feedback
- The materials needed; for example, flip charts, projectors, sticky sheets, and pens.
- The learning outcomes for each segment.

In creating the agenda, make sure that there is an adequate number of well-placed breaks, which can be much needed by facilitators and participants. The first segment often consists of an introduction of facilitators and participants, clarifying the course's objectives, and setting any desired ground rules; for example, ensuring confidentiality of what is said and treating each other with respect. Thought could also be given to having an icebreaker that allows participants to get involved early-on, helps establish a good working rapport among participants, and can shed light on the participants' experience with the subject matter of the training program.

Thought should also be given to ground rules for the training. For example, you will want to agree with the participants whether the discussions are to be kept confidential and to establish whether the trainers' responses to questions raised are legally binding. Agreeing ground rules also allows you to set expectations about timing and participation.

Training programs that include case studies or scenarios enable participants to apply the course content to concrete examples and thus help solidify learning. They also serve as a mechanism to explore ambiguous or difficult areas of the law.

It is good practice to evaluate training programs. One method is to test how much the participants learned as a result of the program. This can be achieved by administering a test to assess their knowledge before the training and then to re-run the test afterward to see if there has been improvement. If participants are given a random number that they place on their pre- and post-training tests, you can monitor changes in knowledge while keeping the tests anonymous. A short questionnaire distributed at the end of the training or sent to participants a day or two later can elicit feedback that sheds light on what participants liked or disliked about the training so that improvements can be made.

Webinars

Virtual workshops and trainings held online are now common. Many of the considerations discussed for training programs apply to them to, but there are some specific factors to consider for webinars and online training modules:

- Fatigue can be a significant factor and shorter programs may prove more effective.
- Body language is largely absent, which can impact on communication between participants and facilitator and amongst participants.
- Breakout groups can be a way to get discussions going but this need careful planning and explanation.
- It is important to be familiar and adept with the platform used for the virtual training.

Frequently Asked Questions

A list of frequently asked questions on the oversight institution's website is an effective way to respond quickly to standard queries and can help educate, inform, and guide political parties, candidates, journalists, and others.

In selecting questions to be included, you may want to highlight key regulatory requirements, areas that have proven problematic in terms of noncompliance and queries raised by stakeholders through hotlines and other requests for advice and guidance.

Here is an excellent example of FAQs by the [Electoral Commission of South Africa](#).

Formal Requests for Advice

In some countries, political finance legislation expressly provides a formal process for obtaining an advisory opinion from the oversight institution. The formal advisory opinion process can serve as a “safe harbor” for those subject to regulation. For example, in Canada and the [United States](#) the oversight institution may be barred from taking enforcement action against someone who has acted in good faith in accordance with an advisory opinion.

If the law in your jurisdiction explicitly or implicitly authorizes you to issue advisory opinions, it would good practice to have a policy in place that addresses:

- **Who may file a request for an advisory opinion:** Requiring the requestor to be the one wishing to engage in the activity in question prevents electoral opponents from using the advisory opinion process for party political purposes; for example, by strategically using the process to get the oversight institution to ban activity they think an opponent is going to undertake.
- **What activity may be the subject of an advisory opinion request:** The request should relate to a specific activity to be undertaken, as opposed to a general question of interpretation, and the description of that activity should be complete and sufficiently detailed.
- **What the process is for obtaining an advisory opinion:** This will include requiring the request to be in writing, making it public, allowing others to comment on the request, and the timeline for the oversight institution to respond to the request ([see Advisory opinions.pdf](#)).
- **How long the oversight institution has to respond to an advisory request:** This avenue for seeking assistance will lose its relevance if there is no time set or too long a time is set for obtaining answers to questions.
- **How to guard against potential misuse of the advisory opinion process:** It may help to include language in the opinion issued which limits its application to the facts presented in the request. For an example from the United States, [see the last page of the document Advisory opinions.pdf](#).
- **Whether the requestor can challenge an advisory opinion if the requestor disagrees with it:** Consideration needs to be given to whether there will be a mechanism for a requestor to appeal the advice provided. The oversight institution will also need to consider whether the undertaking of an action it concluded would be prohibited in an advisory opinion will be considered an aggravating factor when considering enforcement.

Hotlines

Electoral campaigns can be fast-moving environments where issues arise that demand quick resolution. Oversight institutions can help address this need by operating a hotline that offers a way for campaigners to get answers promptly to their questions. Hotlines often consist of a dedicated telephone number that campaigners can call for help. However, the same principles and practicalities would apply to a text-based service such as WhatsApp or iMessage.

- **Set a performance target for responding to hotline calls:** Users need to know how long they might have to wait to get an answer.
- **Be sure the hotline is monitored sufficiently to meet your performance target:** Staff need to be assigned to monitor and respond to incoming queries. If responsibility for doing this is not clearly allocated or hotline queries go unanswered, the oversight institution's reputation may suffer and campaigners may become disgruntled.
- **Prepare answers for standard questions in advance:** This will save time and help ensure consistency in how questions are answered.
- **Establish an escalation system for difficult questions:** Some questions will present novel issues that will require considered thought. It helps to have a system in place for how these questions can be escalated to the appropriate decision-maker.
- **Track questions asked:** Tracking allows the oversight institution to ensure the consistency of advice given and to garner an understanding of areas and issues that campaigners find challenging or ambiguous. The oversight institution may use this information to change its written guidance, to shape future training programs, or to add entries to its FAQs. You will need to decide whether to allow anonymous requests. Doing so may increase the number of requests received.

3.1.4 Policy Development

What Role Can Oversight Institutions Play in Policy Development?

The role that an impartial and politically neutral [body](#) with oversight of political finance issues can play in policy development will usually be limited, but it can still be important.

An oversight body is unlikely to be able to design the policy or regulatory framework within which it sits, or to drive major changes to the framework. This is because the key policy decisions—such as what controls should exist on donations and other funding provided to political actors, or what spending and campaigning activity should be regulated—need political legitimacy, and ideally consent from the broad range of political actors within the jurisdiction. As the oversight body, you most likely do not have the power to make unilateral changes to the legislative framework, as this prerogative lies with the legislative body.

However, an oversight body that has had some experience of operating or overseeing a framework of controls on political finance can play an important role in advising policymakers—including governments, parliaments, and independent reviewers—about how design problems in the framework can be resolved, and how ideas for changes to

the framework will work in practice. An important aspect of this is ensuring that political finance regulations are [enforceable](#).

For example, an oversight body may do some or all of the following (the links are to examples of the work of the United Kingdom's Electoral Commission):

- Provide information and advice to inform a political party's or government's initial policy development.
- Publish [briefings](#) to inform legislators and decision-makers when draft legislation or policy changes are under consideration.
- Conduct a [systematic review](#) of the effectiveness of a framework and make recommendations about how it can be improved.

In some jurisdictions, the law requires the political oversight institution to make recommendations regarding the legislative framework. For example, in the United States, the Federal Election Commission must make annual legislative recommendations. See, for example, its [recommendations for 2021](#).

In addition, political finance legislation often establishes broad rules that then have to be interpreted and applied to different factual scenarios. As an oversight institution, your interpretation and application of the rules will often involve policy development. This is most evident in the development of [operational policies and procedures](#) but it also applies to how you interpret and apply the rules in the [advice](#) you give and the [enforcement cases](#) you handle.

How Can You, as an Oversight Body, Contribute Effectively to Political Finance Policy Development?

The following steps can help you contribute to the development of political finance policy:

- Be open and consistent with all relevant actors about what you are considering or recommending, and why.
- Develop clear explanations of how any policy changes you recommend will have a positive outcome, such as:
 - Better achieving the overall policy aims of the framework, without producing an unfair advantage or disadvantage for any political actor.
 - Removing unnecessary administrative burdens on political actors.
- Engage political actors and other interested parties at an early stage to obtain their perspectives on the issues you are exploring and, where possible, win their support for the changes you are recommending.

3.1.5 Increasing Public Awareness

Political finance is [crucially important in any democratic state](#). How those wishing to run a country (or a local government area) raise and spend money when running for election, and how political parties finance their activities, are essential for how the

democratic process functions and for the accountability of elected representatives. There is a clear link between [illicit political finance and corruption](#).

The role of money in politics is also critical to public confidence in the political and electoral processes in any country. If the public is confident that politicians listen to the voices and act in the interest of the electorate, their trust in the political system will be much higher than if the public expect that politicians will rather listen to those who provide substantial financial support, and act in the interest of oligarchs and big business.

However, the importance of money in politics for the daily life of average citizens is not always obvious to everyone. It is often a major challenge to explain how seemingly technical details of donation bans, spending limits, and public funding relate to the daily life of average citizens, which also applies to efforts to enforce such regulations. This can be a major issue for a public institution mandated to increase transparency and public awareness of the role of money in the political process.

A lacking public awareness of political finance, its regulation, and the efforts to bring transparency to it can be detrimental to democracy in many ways. A partial understanding of existing efforts in this field can feed misunderstandings and false narratives of how politics is funded, and further undermine public trust in the political process. Cynicism regarding efforts to oversee and increase transparency in political finance can also reduce the opportunities for the [oversight institution](#) to benefit from the public's assistance in controlling submitted financial reports, and in reporting potential violations of political finance regulations. For example, citizens will be less likely to report potential cases of [vote buying](#) or [abuse of state resources](#), or to point out omissions in financial reports, if they do not expect that doing so will lead to relevant consequences.

Although it may not be explicitly stated in legislation, as a [political finance oversight institution](#) you therefore have the challenging tasks to:

- Increase public awareness about the importance of political finance for the democratic process.
- Increase public awareness about the impact of political finance on the everyday life of average citizens.
- Highlight existing regulations regarding political finance, including requirements of financial reporting.
- Emphasize the work of your institution in monitoring compliance with and enforcing existing regulations.

In doing this, you should seek to acknowledge challenges and shortcomings that exist, while stressing the positive efforts being carried out, and the importance of the public assisting this work. Make sure that your efforts to raise public awareness are directly centered in your communication strategy.

There are three main ways to raise public awareness about political finance:

- [Direct outreach to the public.](#)

- [Outreach via civil society.](#)
- [Outreach via media.](#)

3.1.5.1 Direct Outreach to the Public

Where possible, your institution should seek to directly engage the public on raising awareness of the importance of political finance. Direct communication allows you to transmit your key messages without a middle person who may have their own particular agenda or who may not completely understand the issues involved.

It is very useful if your institution produces basic information about political finance, its regulations, and what this all means for the general public. For example, the Australian Electoral Commission publishes [frequently asked questions](#) with basic information (though mainly aimed at candidates), while the Electoral Commission of South Africa explains in basic terms the legislation in a [dedicated document](#).

Raising awareness about political finance and how parties and election contestants raise and spend money is also closely related to how you [publish received financial reports](#). While the publication of data will most likely include complicated concepts and financial terminology, it helps public awareness if you can provide a glossary and make the data as easily understandable as possible. You may also want to guide users to information that may be most relevant to them; for example, where they can search whether a certain person or company has made any political donations, as in the [example of](#) the Federal Election Commission in the United States.

Unfortunately, there are in most situations significant limitations on how much you can do to directly raise public awareness regarding political finance. Most people are not in the habit of visiting the website of public institutions unless they have a direct personal connection to what the institution is dealing with. Therefore, to complement your efforts to raise public awareness directly, you should also consider doing so through engagement with civil society and the media.

3.1.5.2 Relationship With Civil Society in Raising Awareness

Civil society organizations (CSOs) that have a particular interest in the political process, the rule of law, governance, and democratic practices can be useful partners to your institution in raising public awareness about political finance. There can always be a risk of political bias among them, though, and you should be careful not to be seen as giving approval to or supporting a particular group. But this does not mean that you should not engage with CSOs in a proactive and positive manner. Such engagement can help keep CSOs accurately informed about the law, the actions you are taking to implement the law, and the challenges you are facing in doing so. CSOs must also be free to criticize the work of your institution in overseeing political finance in any open and democratic society. Criticism from CSOs is something you must accept, though naturally you should explain your side of any story and seek to clear up any misunderstandings that may occur.

CSOs may have more capacity to address issues relating to raising awareness regarding political finance and its transparency than an oversight institution that is also mandated to receive, review, and publish financial reports as well as to provide guidance to political parties and election contestants. In addition, CSOs are not bound by the same requirement as public institutions to avoid any suspicion of bias. They may, for example, publish information about which parties have received the largest corporate donations or which parties spent most money on negative advertising—approaches that [may not be suitable for a public oversight institution to adopt](#).

As is discussed [elsewhere in this toolkit](#), make sure that you publish information about your engagements with CSOs on your website to increase transparency about your activities and to show your proactive stance on increasing awareness—this is, for example, done by the [State Audit Office of Georgia](#).

3.1.5.3 Relationship With Media in Raising Awareness

Perhaps the actor with the highest potential for raising public awareness about political finance is the media, in its traditional and new forms, from newspapers to television to bloggers and influencers. The same issues of potential bias and lack of understanding that relate to CSOs also apply to the media, but your institution should seek to provide accurate and objective information that can be transmitted to the general public through the many different channels available to various media outlets.

If your institution has a communication department or a press officer, make sure that the political finance oversight unit engages with them frequently to ensure that any information you wish to communicate about political finance is presented in a way that maximizes the chances of media picking it up and transmitting it further.

In general, journalists are often less interested in detailed data from submitted financial reports (unless it is easily digestible), but they are more likely to be interested in [receiving information in a timely manner](#).

You can also produce articles with general information about party and campaign finance, including infographics that media outlets can use in their reporting—as in this [example from Norway](#).

3.2 Compliance Control Mechanisms

Compliance control mechanisms cover all the different methods and processes oversight institutions can use to supervise and check compliance with political finance regulations. Depending on the legislation in your country, your institution's remit may encompass some or all tasks described and explained in this section: supervision and monitoring, preparation of reporting templates, receipt and review of statutory reports, handling of complaints, and audits. It may also be that other institutions are vested with some of these tasks in instances where the political finance remit is split between at least two bodies.

Depending on the country's political finance legislation and the oversight institution's remit, regulators may have different sources of information at their disposal to carry out their oversight tasks:

- Matters raised by [campaign/field monitors](#) in monitoring reports submitted to the oversight body throughout the campaign.
- [Requests, complaints, and allegations](#) filed with the oversight body.
- Information contained in [election campaign finance reports and political party annual financial reports](#), and issues identified by the oversight body when reviewing the returns.
- [Auditors or chartered accountants'](#) reports.
- Matters identified by the [oversight body ex officio](#).
- Matters referred to the oversight body by [another public institution](#).

Compliance control mechanisms must be conducted in accordance with the oversight body's [internal procedures](#), which should set out the successive phases to undertake as regards the administrative and procedural review process, from the preparation of reporting templates to the receipt and [recording of financial reports](#) (and [complaints](#)), the [review/audit](#) of statutory reports, and the issuance of decisions.

3.2.1 Supervision and Monitoring

Supervision and monitoring are part of the tasks [political finance oversight bodies](#) can be vested with. Depending on the country and the mandate entrusted to the oversight body, supervision and monitoring of political finances can encompass different mechanisms or powers. Besides the [review of financial reports](#), the handling of [complaints and allegations](#) and the review of [auditors/accountants' reports](#), the oversight institution can also have recourse to other channels of information, namely:

- Matters raised by [campaign/field monitors](#) in their monitoring reports submitted to the oversight body throughout the campaign.
- Matters identified by the [oversight body ex officio](#).
- Matters referred to the oversight body by [another public institution](#).

3.2.1.1 Field Monitoring

Field monitoring of election campaigns is a relatively new practice, which has recently been introduced (and sometimes incorporated in the legislative framework) in some countries, such as Albania ([Field monitoring—Albania.pdf](#)), North Macedonia, and Serbia ([Serbia Case Study, Supervision and Monitoring Final Version.pdf](#)). This usually consists of experts hired by the oversight body to observe and monitor campaign activities and election-related events during the election campaign, but it can also be conducted the oversight body's staff. The monitoring of election campaigns can be accompanied/supplemented by the costing of observed activities. In such case, the goal is to provide to the oversight body information about campaign spending and to enable

it to compare and cross-check data contained in the financial reports with campaign monitoring findings/estimates.

Real-time monitoring of election campaigns through, for instance, the establishment of a unit monitoring traditional or [social media](#) is a more common practice that can be carried out either by the oversight institution or outsourced to private companies (Lithuania) ([Lithuania.pdf](#)). CSOs can also play a significant role in monitoring campaign finances (Tunisia)

When designing your campaign monitoring program, it is important to consider the following elements if you need to issue an instruction/decision setting out the rules and the scope of campaign monitoring:

- Who will undertake the monitoring and, if it is done externally, the selection criteria, procedure, and appointment of campaign monitors, as well as the monitoring scope, monitoring period, and entities monitored.
- The geographical area of monitoring must be defined in the relevant instruction/decision.
- The monitoring scope must cover precisely the breadth of the monitoring activities; that is, monitoring of the use of campaign materials, polling stations, rallies, meetings, and events, and/or monitoring of the compliance with prohibitions and restrictions on certain activities before the election date and/or misuse of state resources during the monitoring period. Ideally, the monitoring process should be followed by a cost benefit analysis to consider the pros and cons of such a mechanism.
- Monitoring tools must be developed by your institution; that is, reporting templates ([Field monitoring template—Albania.pdf](#)), training curricula.
- Logistical planning and development of a communication plan by your institution, especially when the monitoring involves the observation of the illegal use of state resources by public institutions.
- The mandate and powers of the campaign monitors must be clearly spelled out: Do they have to provide an estimate of the observed activities? Can they hold interviews with electoral contestants and their officers, public officials, and third parties and ask for information/documents? Can they conduct (social) media monitoring? etc.
- Whether your institution wants to publish the monitoring reports, taking into account their nature (that is, some data and facts might not be of such great interest to the public) and the impact the disclosure may have on the monitoring process (that is, some monitors could restrain themselves due to the potential public scrutiny or feel pressured to mitigate what they observed in order to avoid any kind of criticism).

Upon receipt of the campaign monitor's report, your institution will determine whether there may have been a violation of election campaign finance rules in accordance with your internal procedures, based on the information the report contains and any comments received from the political party/candidate. Depending on the gravity of the

alleged violation/irregularity, the matter might be substantively assessed for further action, immediately or during the review phase of financial reports.

3.2.1.2 Matters Identified by the Oversight Body *Ex Officio*

Staff members of your institution may become aware of potential violations through a number of public sources, including newspapers, television, and social media. Any staff member receiving information that appears relevant to possible noncompliance with the political finance rules should communicate that information as soon as possible to those handling such matters. The information should be registered and dealt with following the procedure in place for the receipt of complaints and allegations. Naturally, the risk may be high that there is a significant amount of misinformation or speculation among relevant information about political finance violations, and careful investigations are essential.

Your legislation may ban anonymous allegations. In those circumstances, you may need to consider whether and under what circumstances the issues raised anonymously could be addressed *ex officio*. For example, if accusations in an anonymous complaint are supported by publicly available information, is your institution at liberty to begin a review on its own initiative without reliance on the anonymous [complaint](#)?

For examples, see pages 7 and 8 in this U.S. [Federal Election Commission document](#) and here about Montenegro ([Montenegro.pdf](#)).

3.2.1.3. Matters Referred to the Oversight Body by Another Public Institution

It may happen that elements regarding a potential breach of campaign finance or political party financing regulations is referred to a political finance oversight institution by another public institution. For instance, the media regulator might receive a complaint or allegations of wrongdoings regarding political advertisements placed on social media by [non-contestant campaigners](#). Although the media-related part of that complaint may fall under the jurisdiction of the media regulator, accusations pertaining to non-contestants and political advertising might need to be handled by your institution, and the media regulator may therefore refer that information to you. In some cases, referring relevant information between institutions may be mandated by law.

For example, in the United States, enforcement proceedings may also originate from other entities referring potential violations to the Federal Election Commission (FEC). These entities include local and state law enforcement authorities, federal enforcement authorities, and other federal agencies—see pages 8 and 9 in this [FEC document](#).

3.2.2 Preparing Reporting

A cornerstone in political finance [transparency](#) is the financial [reporting system](#) for political parties and [election contestants](#), whether it relates to annual or ongoing party finance reports or to campaign finance reports submitted before or after an election.

Oversight—Toolkit for Political Finance Institutions covers various areas of your work with financial reporting, from strategic planning to receipt, review, and publication of financial reports.

If you do not carefully consider how political parties and election contestants (and potentially others) should prepare and submit financial reports, there is a significant risk that your other activities will not be successful in achieving transparency and control over money in the political process. Even a perfect reporting system will not provide transparency if parties and electoral contestants can with impunity refuse to declare their income and spending, but if the reporting system is not well designed, even actors who wish to comply and be open about their finances may be unable to do so.

There is much that can be learned from the experiences in other countries regarding financial reporting, as outlined in this section. Ultimately however, the most suitable approach for you will depend on your country context. Therefore, it is important that in-depth discussions are held with stakeholders ahead of the development of a reporting system.

It can be argued that anyone wishing to form a political party or run as an election candidate must accept and comply with legislation and regulations on financial reporting. However, experience shows that when the reporting systems are not suited to the local context, the level of compliance suffers and confidence in the entire system of political finance oversight may also suffer.

The OSCE Office for Democratic Institutions and Human Rights and the Venice Commission [recommend](#) that “The law should define the format and contents of the reports to ensure that parties and candidates disclose essential information” (see [Article 259](#)). However, some flexibility in reporting structures may be useful, as it allows you to engage stakeholders in an ongoing dialogue about the most effective form of reporting, and to make minor changes, as required.

Of key importance is the holding of a dialogue with political parties and others whom legislation requires to submit reports. If the reporting system does not take into account the way that political parties gather and maintain financial information, the risk of noncompliance increases. You should also consider the capacity of candidates at all levels of elections to prepare and submit financial reports. However, you retain the final decision on the system to be used (not least since political actors may try to get out of reporting sensitive information). After each reporting deadline, gather representatives of the reporting entities and discuss reforms of the reporting system that may be desirable.

You should also bear in mind input from other stakeholders, including civil society groups and journalists who may use financial reports in their work and who may (formally or informally) assist your institution in controlling the accuracy of reports. Note, however, that such groups sometimes overestimate the capacity of political actors to comply with reporting requirements. Outside groups may also wish to go straight to an advanced reporting system, bypassing the gradual adjustment to detailed reporting that may be needed in most countries.

As necessary, you may also wish to consult state audit or accounting institutions to ensure that the reporting format is in line with legislation on financial accounting or

auditing. This may be especially important in cases where reports have to be formally audited before or after they are submitted.

In addition, in developing the financial reporting system you should consider the way that the financial reports are to be [published by your institution](#). The preparations for reporting and for the publication of reports go hand in hand, and they should always be considered together.

See here for an overview of reporting requirements and processes across Europe ([IIIDEM case study reporting disclosure - unit5.pdf](#)).

These are some of the things you need to carefully consider when preparing for financial reporting:

- [What information should you require to be included in reports?](#)
- [Should you require the inclusion of supporting documentation?](#)
- [What should be the format of the reporting?](#)
- [What guidance do you need to provide to ensure compliance with the reporting system?](#)

3.2.2.1 What Information Should You Require to Be Included in Reports?

This text is taken (with minor modifications) from the IFES [TIDE Political Finance Oversight Handbook](#).

Request All Information Required by Law

Where there are legal requirements regarding the information political actors need to submit, the regulator must ensure all such information is covered in the reporting forms. However, it is more common that legislation gives only overall guidance about the data that must be submitted. In such cases, you will need to develop more detailed political finance disclosure regulations, if it is within your legal mandate to do so. Such regulations may include the reporting forms themselves; if they do not, the forms should be developed in close consultation with those required to submit financial reports.

Request Additional Information Necessary to Ensure Compliance With Legal Provisions

As mentioned, legislation often lacks detailed guidance regarding the information political actors must submit. Often, legislation does not even specify if financial reports need to reveal the identity of donors. In such cases, you must identify the information necessary to monitor the accuracy of financial statements and compliance with political finance regulations.

For example, even if legislation does not require that political actors report the names of contributors, you must have access to this information if you are required to enforce a ban on anonymous donations or a limit the amount contributed over a certain period of time.

Do Not Request Information You Do Not Need

You should not require just any information through the reporting forms. A rule of thumb is that you must have a clear idea of how you would use each piece of information that is requested. That certain information *could be useful* is not a sufficient argument for requiring political actors to report it, given the administrative burden that reporting entails.

Ensure the Reporting Format Does Not Overburden Political Actors Who Must Report

An important principle is that the [reporting system](#) must be such that political actors can be reasonably expected to comply with the requirements without hindering their ability to run effective campaigns. For example, reporting thresholds can be used to reduce the need for time-consuming reporting of unimportant transactions. This might lead you to decide that only expenses above a certain amount or assets exceeding a certain current market value should be reported. There is little point in demanding political parties to report on, say, every single pencil in their possession. Demanding that receipts are provided for every [donation](#), signed by both the financial agent and the donor, can be a good way of tracking larger donations, but it is unreasonable to demand such records for donations of very little value.

Some countries use a threshold for donations that have to be reported in detail. In the United States, it is \$200 (USD) in a year, while in Australia it was \$14,500 (AUD) as of the [middle of 2021](#). Of course, a threshold of this kind opens the risk that wealthy interests will divide their donations to escape publicity. If the threshold is set low enough, donors will have to do a lot of work to get around reporting requirements.

The principle of not overburdening political actors also relates to the frequency of reporting and to the time between the deadline for submission and the closing of books for a report (for example, at the end of a calendar year or shortly after an election).

Do Not Use More Reporting Forms Than Necessary

In line with the principle of not overburdening political actors, the reporting format should be as streamlined as possible. Actors should not be required to repeat the same information several times in different forms (in some cases, it can be possible to find solutions where information entered in one form is automatically used to populate parts of other forms). You should try to provide a logical sequence of forms so it is clear how the different forms and items therein relate to each other. For example, if a summary form asks for total value of donations in the form of real estate, the form listing individual contributions should require the actor to note the same information so it can be transferred to the summary form.

However, this principle does not necessarily mean that reducing the number of forms is always advisable. The reporting format should, above all, be easy to understand. Combining many items on the same form can cause confusion. Consider if different actors should use the same forms for their reporting, or if candidates and political parties (if both need to submit reports) should use separate forms. The former solution will reduce the number of forms in use, but it could also lead to various sections of forms only applying to some actors (such as “constituency contested”). Consider also if it is possible to use the same forms for campaign finance and for annual reporting.

Avoid Terms and Concepts That Are Not Clearly Defined

While it is tempting to ensure standardization through applying various terms and concepts, caution must be exercised to avoid confusion. Requiring political actors to break down their expenses into campaign and administrative costs, for example, (and subcategories within each), may be a good idea, but it will still be difficult to compare the information received unless clear rules are set for how expenses should be categorized. This principle goes beyond defined concepts in accounting. For example, in some countries, the regulator asks the profession of contributors. Assuming this inclusion is not a legal requirement, the purpose of the regulator in asking about the profession of the contributor is often that this information will make it easier for them to judge if individual contributors can be expected to own the amounts they are reported to have contributed. However, unless there are legally defined professions, such a requirement is unlikely to enhance transparency. Anyone can, for example, call themselves a “businessperson” or “entrepreneur.”

For Campaign Finance Reports, Consider Variations Depending on the Type of Elections

While the principle of campaign finance transparency is the same for all types of electoral processes, it may not be feasible to require the same level of reporting of presidential, parliamentary, and local government candidates alike. In most countries, presidential candidates are likely to have a team of people overseeing their campaign finances, and it is reasonable to expect that a presidential campaign can provide detailed information about how it raised and spent money. Take into account, however, that since in most presidential elections the entire country is part of the electoral area, it can take time for presidential campaign teams to gather, prepare, and submit financial information about their activities.

Parliamentary candidates may have less administrative capacity for bookkeeping and financial reporting than presidential candidates. However, in single-member-district electoral systems, parliamentary candidates have a significantly smaller electoral area to deal with, and regardless of the electoral system, they are likely to have a significantly less complicated financial structure than presidential candidates. This should be taken into account when deciding on the reporting system for each type of election.

Assuming that candidates in subnational elections are required to submit financial reports, particular care is needed in considering what information that they can be expected to collect and submit. The number of local government structures, and hence of candidates to such structures, may be significant (for example, by late 2021 there were 283,350 “local bodies” in [India](#)).

Your institution should engage local government bodies, political parties, and past candidates in a discussion about what information local government candidates can be required to submit, in what format, and at what time.

The points noted above should also be considered, as appropriate, when it comes to [campaign finance reporting](#) by nominating political parties or other structures (such as citizen initiatives) in relation to different types of elections.

3.2.2.2 Should You Require the Inclusion of Supporting Documentation?

Legislation may specify in detail what, if any, supporting documentation political parties and election contestants are required to submit with their financial statements. When this is the case, your task as an oversight institution is to ensure that the reporting entities are aware of this and, as suitable and necessary, to assist them in how the relevant supporting documentation can be acquired and submitted to you.

In many countries, however, legislation does not specify in detail or at all what, if any, supporting documentation needs to be submitted. In such situation, it is important to carefully consider what should be requested.

Requiring the submission of detailed supporting information can assist your oversight institution in reviewing the accuracy of submitted financial statements. Indeed, such [controls](#) and [audits](#) may be very difficult or impossible without access to supporting documentation. Given this, you should carefully consider the implications for controls of audits of submitted financial reports if you require the inclusion of certain supporting documentation.

On the other hand, requiring masses of supporting documentation may prove unduly burdensome for the political parties and electoral contestants, and also for you as the oversight institution. The same principle as discussed above about only asking for information in reporting that you are likely to use also applies to supporting documentation. You may also wish to vary the amount of supporting documentation that electoral contestants are required to submit depending on the type of election, requiring less supporting documentation for local government elections than for presidential and parliamentary elections.

You may require that those who must submit financial reports maintain records of supporting documentation that they are not required to submit. In such cases, you may request the submission of such documentation at a later stage, in particular if a need arises for an [investigation](#) of the submitted financial records or other activities. Do not automatically assume that requiring the submission of supporting documentation is never necessary as long as it can be requested later, since requesting the later submission of such documentation can be a demanding and time-consuming process.

3.2.2.3 What Should Be the Reporting Format?

There are many different ways in which political parties and electoral contestants can submit information about their financial activities to your institution. The main options are:

- Hard copy (paper) format only.
- Hard copy (paper) format together with electronic submission (any of the options below):
 - PDF documents.
 - Machine-readable documents such as Microsoft Excel ones.
 - A dedicated software solution installed on the user's computer.

- An online system

Hard copy (paper) submission may be most suitable where those required to submit information are unlikely to have access to a computer or may not have the necessary experience needed to use an electronic submission system. This may apply, for example, to local government candidates in countries with limited computer penetration. Unreasonable demands for the use of IT must not threaten or limit the freedom to run for office, as described in the [International Covenant on Civil and Political Rights](#).

A legal requirement that financial reports must be physically signed does not immediately preclude a system of electronic reporting. A framework can be set up whereby the political party or candidate submits the financial report in a signed hard copy (paper) format and also electronically, increasing the opportunities for [control of the reports](#) and for [publication](#). While double-reporting should be avoided in general, this may be a suitable solution in case of legally required hard copy signatures in contexts where submitted hard copy reports are simply printouts from the party's or electoral contestant's computer system. If a legally accepted system for electronic signatures is in existence, you should explore how it can be used to satisfy requirements of submitted reports being signed.

Whenever suitable, depending on the capacity of stakeholders, electronic submission is preferable as it allows for easier review, analysis, and publication of received information. A lot of information about electronic reporting is available in International IDEA's [Digital Solutions for Political Finance Reporting and Disclosure](#) report.

Demanding the submission of PDF documents is normally a substandard solution, as such documents are often not machine-readable and the data can therefore not easily be transferred into a database for review and publication. Even such a basic task as summing up the amounts of donations made by the same person (required whenever there is a legal personal donation limit) can be very demanding if reports are only available in PDF format. There is the option of creating PDF forms that users can fill in as these are normally machine-readable.

A comparatively straightforward solution is to develop and share the reporting forms in a commonly used format such as Microsoft Excel. Such forms can be modified on the computer of the reporting entity (including by using free software) and submitted to you via email or (less desirably, due to the risk of computer viruses) USB memory sticks. If you use this approach, consider electronically locking any parts of the document that you do not wish the users to be able to edit, so they do not intentionally or unintentionally make edits that may hinder the movement of data from the document into an online database. It is strongly advised that you consult an IT expert to make sure that the electronic reporting documents are suitable for filling in and for the data to be exported into a database that you control.

Providing a specialized software for financial reporting is not a very common approach. The Federal Election Commission in the United States uses its own [FECFile](#) software, which is free to download but can only be used on the computer in which it has been downloaded. A similar system is used by [Elections Canada](#) and by Brazil's [Tribunal Superior Eleitoral](#).

In most cases where political finance reporting systems are being reformed today, the preferred choice is to build a system in which users upload information to an online system maintained and/or designed by the oversight institution. Such systems do not require software to be up to date and can be easily modified. There are many different options for online reporting, and it is again strongly advised that you consult an IT expert in the development of a system of this kind. For a list of online reporting systems, see Annex A in [this document](#).

Many online reporting systems combine the direct entry of certain information with the uploading of electronic documents. Such an approach has many advantages, as it can be very time-consuming for users to enter large amounts of information directly into the system. The same considerations as discussed above regarding the likes of PDF and Microsoft Excel files also apply when political parties or electoral contestants upload files in an online system.

Online systems can also allow for political parties and electoral contestants to submit data according to the requirements that are related to each entity—for example, in Spain, certain parties are by law allowed to use a simplified reporting process, and both this and the full reporting system are accounted for in the online submission system.

Where reports are submitted electronically, consider how you can ensure that only eligible persons submit such information to you. Some countries have a national system for electronic reports (for example, [Iceland](#)) or a national system for electronic bank-IDs (for example, Sweden). In other countries, the political finance oversight institutions provide log-in details to relevant persons from political parties and election campaigns. This is, for example, the approach taken by Bosnia and Herzegovina's [Central Election Commission](#) and the [United Kingdom's Electoral Commission](#).

As with any electronic systems, the development of an online submission system must include safety consideration, such as the risk that unauthorized persons may attempt to disrupt the process by uploading inaccurate information or deny access to the system for regular users. While most of the political party and campaign finance information that is submitted will be made available to the public, there can be cases where certain information that is submitted will not be published. This can include the full address of donors or the identity of donors giving below a set threshold. In such cases, it is especially important to ensure that this information is protected from unauthorized persons. In this too, you are strongly advised to seek guidance from IT experts on the security aspects of the electronic system.

Ukraine's National Agency on Corruption Prevention has provided a case study of the country's recently developed system for online reporting ([UKR NACP Launch of POLITDATA.pdf](#)).

3.2.2.4 What Guidance Do You Need to Provide to Ensure Compliance With the Reporting System?

In parallel with developing the system for reporting, make sure that you also develop clear guidance materials for those who will be required to submit financial reports. This can include written manuals, videos, and infographics, combined with trainings and

FAQs on your website. For more on the issue of guidance, see [here](#). Ukraine's National Agency on Corruption Prevention has published a good example of [FAQs](#) on how to use an online reporting system. In South Africa, the [Political Party Funding Act Regulations 2021](#) includes information on how to submit financial reports, opting for though the use of a paper-based system may have been the missing of an opportunity to make the provisions of the 2018 Political Party Funding Act (which came into force in 2021) truly effective.

3.2.3 Receipt and Review of Statutory Reports

The financial reports submitted by [electoral contestants](#) as regards the financing of their election campaigns and by political parties about the financing of their routine activities are the primary sources of information to carry out your supervision tasks.

The existence of [internal procedures](#) that set out rules pertaining to receipt and review of financial reports will help guide staff members on how to handle statutory reports within a clear, impartial, and coherent framework, and will also help your institution demonstrate fairness, impartiality, and quality control at all times.

It is good practice to record all financial reports submitted to the oversight institution, whether within or after the legal deadline. Ideally, all reports received should be recorded in an IT-based system to [flag any late filing](#) and to facilitate the [review process](#).

Depending on your country's legislation and your institution's remit, the review of the financial reports could encompass distinct phases of control or be undertaken all at once. Either way, it is good practice to notify to the electoral contestants and political parties all irregularities, discrepancies, or breaches that could lead to the launching of an investigation and/or the referral of the case to law enforcement agencies or prosecutorial authorities.

3.2.3.1 Receipt of Statutory Reports

Step 3

On the Return type drop down menu, select 'Statement of Accounts'.

Now use the Reporting period drop down menu to select the year which your accounts are being submitted, e.g. 2012 for accounts year ending 31 December 2012 and Click 'Create'.

The screenshot shows a web interface for creating returns. On the left is a navigation menu with options like 'Home', 'My account', 'Political parties', 'PEFO Test Party (GB)', 'View profile', 'View details', 'Renew registration', 'Register as third party', 'Register a joint description', 'View returns', 'Create return', and 'Maintain donors'. The 'Create return' option is highlighted with a red arrow. The main content area is titled 'Returns' and has a sub-section 'Create returns'. It instructs the user to use the menu below to create a return, listing: donation returns, regulated transaction (loan) return, annual statement of accounts, and campaign expenditure return. Below this, it says 'First, please select the type of return you wish to create. A second drop down menu refers.' and 'If you are looking for a return you have already completed and submitted...'. There are two dropdown menus: 'Return type' set to 'Statement of Accounts' and 'Reporting period' set to '2012'. Red arrows point to these dropdowns. At the bottom is a blue 'Create' button, also highlighted with a red arrow.

Depending on the applicable legal framework, financial reports can be submitted in hard copy, through entries on the oversight body's website, and/or in [electronic formats](#). In order to enhance compliance with reporting requirements, a significant number of oversight institutions put out reminders on their website or in their manuals/handbooks regarding the filing deadlines for the financial reports (see the [Election Canada website](#) and this document explaining the process of France's *Commission nationale des comptes de campagne et des financements politiques* ([CNCCFP website.pdf](#)). This can also be accompanied by the sending of [letters or emails to electoral contestants](#) at the beginning or just before the end of the election campaign to remind them of their obligations and the reporting timeframe. While it is the responsibility of the reporting entity to submit reports correctly and on time, noncompliance reflects badly on the oversight institution also, and it [should therefore spend much effort on ensuring a high compliance rate](#).

Ideally all received reports should be recorded in your register or intranet/information system with the mention of the submission date of the hard copy (if applicable, mention of the submission date of the electronic date as well), and it should be assigned a file number. The use of [e-reporting systems](#), if you have such a system in place, will help flag irregularities as regards the receipt of financial reports.

Statutory reports can be submitted within the legal deadline or can also be lodged after the legal deadline or not submitted at all. Late submission of reports or failure to do so

at might trigger the sending of a request by your institution to ask the political party/candidate to regularize the situation or to warn them of a sanction for the identified irregularity.

3.2.3.2 Review of Statutory Reports

The review of financial reports consists of at least two phases and sometimes three: [Three types of control.pdf](#).

- Preliminary control of submitted reports to detect any readily apparent problems.
- In-depth controls taking into account the different sources of information the oversight body has at its disposal.
- [Investigation](#) of irregularities/violations detected during one of the first two phases

Prioritization Risk register

Some oversight institutions use a risk register to rationalize and prioritize their workload. This internal document helps identify risk areas and red flags ([Table of risk areas AND red flags.pdf](#)), for developments whose likelihood to occur and potential impact on the campaign/political party routine activity are the most likely to have a significant influence on the electoral or political process. The risk criteria elaborated by the oversight institutions aim to determine:

- Who is subject to its control, taking into account written, objective, and clear factors, such as the financial resources of the electoral contestants (main political parties/candidates with significant support and electoral results) or the apparition of new political actors (newcomers with some strong and wealthy supporters)
- The kind of activity to control as regards income, such as donation or loan patterns, or the use of payment platforms to [bundle donations](#) for a specific electoral contestant.
- The kind of spending to control, such as electoral rallies/meetings (potential cases of abuse of state resources, vote buying), billboards, digital spending, and the use of portals for paid political advertising, taking into account their importance, sensitivity, and impact on the electorate.
- When the control happens: before, during, and after the election campaign or on a rotating basis for political party routine activity.

See the risk profile system used by the [U.K. Electoral Commission](#), which remains relevant although it has been discontinued.

Preliminary Analysis: Detection of Readily Apparent Problems

The goal of preliminary control is to ensure that the financial reports meet formal requirements and to detect readily apparent problems, using no other data than the reports themselves.

Formal Requirements

| Issue | How to control |
|---|--|
| Financial agent appointed | Check appointment documents/date of the financial agent |
| Dedicated bank account opened | Check documentation provided to ensure the opening of the bank account |
| Report submitted (on time) | Keep records of received mail/usage of online reporting and stamp with date of receipt (manually/electronically) |
| Report signed | Check signature of correct person included |
| Report complete and accompanied by supporting documentation | Check all cells/pages are completed and supporting documents are provided |

When carrying out the preliminary verification, you may want to check whether:

- An official agent responsible for financial matters has been appointed, if the law foresees such an obligation.
- The report has been submitted within the legal deadline, in the prescribed formats in the legislation, and signed by the competent person(s).
- The report appears to be complete (all relevant pages/cells are completed) and is accompanied by all supporting documentation.

The existence of checklists/dropdown menus in your information system might help your staff members carry out this part of the control process. Some options presented below might be irrelevant depending on the existing political finance regulations in force in your country.

| | Yes | No |
|--|-----|----|
| Format of reports submitted | | |
| Was the report submitted on time? | | |
| Has the reporting template been used? | | |
| Has the report been submitted in hard copy and/or electronically and/or through entries on your website? | | |
| Have all pages been completed/filled out? | | |
| Is the report signed by the competent person(s)? | | |

| | Yes | No |
|---|-----|----|
| Content of reports submitted | | |
| When was the financial agent appointed? If applicable | | |
| Does the bank account number provided match the account designated by the political party/candidate, if applicable? | | |
| Is the election finance campaign report balanced or in surplus? | | |
| Does the total amount of in-kind contributions correspond to the total amount of in-kind expenditure? | | |
| Are the declared expenses within the spending limit? | | |
| Supporting documentation | | |
| Are bank statements provided? | | |
| Are donor declarations provided, if applicable? | | |
| Are contracts for goods and services provided? | | |
| Are invoices for goods and services provided? | | |
| Is the documentation pertaining to the valuation and calculation of in-kind donation/spending reported provided? | | |
| Are specimens of electoral materials provided? | | |

It is good practice to prepare a list of all entities required to submit reports in order to keep records of the ones that have filed within or after the legal deadline or any agreed extended deadline, and the ones that have not filed, especially if your institution is not equipped with an online reporting system.

Depending on the regulations in place in your country, the preliminary control may be undertaken of all reports filed, whether within the legal deadline or late. Regardless of the submission format used, it is important to keep records of all received letters and e-mails, together with the manual stamp/electronic submission date of receipt of the reports.

During this first phase of control, your staff members may detect irregularities or inaccuracies that will need to be regularized. Your internal procedures may foresee the possibility to ask for further information or to accept or reject the report. In case it is concluded that the report should be rejected, potentially after requesting further information/regularization, it is good practice to send to the concerned electoral contestant a letter specifying the defects found, the steps the political party/candidate should take and a deadline for doing so, and the potential legal consequences for failing to take the specified action.

In-Depth Control of Final Election Finance Reports

The in-depth or substantive control of declared income and spending aims to check the compliance by political parties and candidates with provisions of the legal framework. To do so, oversight bodies usually check the submitted reports and compare the reported financial information with other data sources to control accuracy.

To this end, your institution may carry out some or all of the tasks below:

- Controlling the documentation of income and ensuring the permissibility of donors and that donations or loans made are within the legal limit(s).
- Controlling the documentation of spending, checking for elections that expenses have been incurred for electoral purposes, and ensuring that reported expenses are within the spending limit(s).
- Checking whether the total amounts of income and spending declared by political parties/candidates match the amounts mentioned in the supporting documentation and the accounting books.
- Comparing the amounts declared by political parties/candidates with any information contained in the interim reports (if applicable), gathered throughout the campaign by field monitors (if applicable), or gathered by/available to your institution or contained in complaints/denunciations received.
- Controlling that the financial reports, based on the information submitted, do not reveal any violations of the law pertaining to the sources of income or expenditures.

You can find a detailed description of the approach of the oversight institution in France to checking campaign finance reports ([Country example / France - In-depth control of final election finance reports.pdf](#)), including its checklist for controlling political party annual financial reports ([Checklist for controlling political party annual financial reports.pdf](#)).

In Montenegro, the Agency for Prevention of Corruption has provided a description of how it reviews received financial reports ([Country example / Montenegro—Agency for the Prevention of Corruption’s review process of the financial reports submitted by political entities and on cooperation mechanisms with the State Audit Institution \(SAI\).pdf](#)).

Control of Declared Income

The main goal of the control of declared income is to verify whether funding comes from permissible contributors and whether the amounts declared match the amounts mentioned in the supporting documents and bank statements. This control is based on the information and documents submitted by the political party/candidate in their reports, but also resorts to the use of bank statements and all other relevant documents (loan documentation, institutional registries, etc.) to check the permissibility and legality of the sources of financing declared.

The first step consists generally of checking the amounts declared by type of revenue—that is, donations, loans, self-financing, political party contributions/income-generating

activities/membership fees—and ensure that the total of declared income matches the individual amount for each type of reported source of financing. Once the first series of checks is done, the second step usually consists of reviewing the correspondence between the information contained in the report and the information contained in the supporting documents. To do so, it is good practice to check each source of income reported against the bank statements and ensure that:

- Each monetary income collected and reported is traceable and corresponds to a single financial transaction on the bank statement(s).
- The date of each transaction is clearly mentioned and verifiable.
- The amounts declared match.
- The origin of the income declared (name of the donor/lender/party contribution/party member/source of the party income) aligns with the information mentioned on the bank statement(s) and/or on the institutional registers/registries to detect impermissible donors (foreign/anonymous donors, donations made in the name of another).

It is also good practice to check each in-kind contribution reported against the supporting documents. Each in-kind contribution should have its equivalence in spending in order to detect whether there are unreported/underestimated/undeclared in-kind contributions or in-kind contribution disguised as volunteer activity.

Having checklists/dropdown menus in your information system is a very helpful tool to enable the control over the permissibility requirements and the compliance with donation/loans limits. There are a variety of methods used for checking the permissibility of donations depending on country context and other factors—the approach used in several countries is outlined in this document ([Case study on permissibility of donations.pdf](#)). Depending on the regulatory situation in your country, controls of income may also include the use of certain forms of bank transactions, the use of cryptocurrencies, and related issues.

Some options presented below might be irrelevant depending on the political finance regulations in force in your country.

| Requirement | How to control? What to control? |
|--|---|
| Donations | |
| Donation originates with permissible donor (individuals) (nationality, age, situation) | Cross-check with social registry Cross-check with civil service registry Cross-check with electoral roll to detect donations from foreigners or minors. |

| Requirement | How to control? What to control? |
|--|--|
| Donation amount seems to be in keeping with donor's financial resources | Cross-check with tax registry and tax/income records to detect suspiciously large donations |
| Donation originates with permissible donor (domestic legal entity, no government contracts) | Cross-check with registry of legal entities and/or company registry |
| Donations within legal limits | Aggregate donations from a same donor—calculate total value of all donations from one donor to the same recipient |
| Loans | |
| Loan originates with permissible donor | Check the identification number on the appropriate state register |
| Loan amount seems to be in keeping with lender's financial resources | Compare loans with tax/income records to flag suspiciously large loans (that could possibly be written off) |
| Terms of loan consistent with fiscal legislation? | |
| Loans within legal limits | If applicable |
| Personal funds (elections) | |
| Self-funding seems to be in keeping with candidate's financial resources | Compare personal funding amount with tax/income records to assess if there are red flags about the funding being really personal |
| Party funds | |
| Funds transferred should be from commercial activities such as publications, printing presses, services, leasing, or membership fees | For membership fees, trace source of funding back to party members Cross-check with last annual financial statement |
| Political party donation | Review and cross-check with last annual financial statement |

Control of Declared Spending

The main goal of the control of declared spending is to check whether reported expenses were incurred for electoral purposes or for political party routine activity purposes, and to detect any potential overspending, underestimated spending, unreported spending, or illegal expenses (abuse of state resources /vote buying) of submitted financial reports. This control is based on the information and documents submitted by political parties/candidates in their reports, but also on bank statements and all other relevant documents (invoices, contracts, specimens of electoral materials, etc.) to check the legality and accuracy of the spending reported. For a case study exploring the review of overspending by President Nicolas Sarkozy in the 2012 presidential election in France, see here: [Case study on overspending.pdf](#).

The first step aims to check that all categories of spending are duly reported and that amounts of the different categories of expenses, whether paid or in-kind expenditure, add up.

Once this step completed, the second phase of this control generally consists of assessing the validity and accuracy of the spending declared by:

- Comparing each declared expenditure amount with the amount shown paid in the bank statement.
- Checking the accuracy of the amount declared against the documents provided (invoices, quotes).
- Confirming that expenses declared have actually been paid (for example, no outstanding/unpaid debts) by cross-referencing with bank statements.
- Controlling the invoices to ensure the validity of the declared expenditure (for example, sales tax/value-added tax, information related to vendors/suppliers; checking that the quantity of items ordered or the scope of services provided reflect reality and that the price per item/service appears reasonable).
- Establishing that the spending declared has been incurred for electoral purposes (for elections).
- Checking that the declared expenses are within the spending limit (for elections) and that the spending on a certain category (such as media advertising) does not exceed a certain value (as is the case in, for example, Lithuania and Poland).

The analysis of declared spending can then lead you to draw conclusions and to compare reported amounts between different election campaign finance reports, and it can help your staff members flag elements that might appear suspicious.

Case Processing

At the end of the control process, you are most likely to find out the following types of irregularities:

- Absence of supporting documentation.
- Discrepancies/inconsistencies between amounts declared and supporting documents provided.
- Donations above the limit or not made in the dedicated bank account.

- Problem with the valuation of in-kind contributions/expenses.
- Problem of accounting of expenses declared (underestimation/overestimation).
- Impermissible donations.
- Problem of tax invoices/global invoices.
- Absence of electoral nature of expenses declared (for elections).
- Omission/partial accounting of electoral expenses (for elections).

It is good practice at the end of the in-depth control that staff members draft a report highlighting the issues identified during the control and documenting the results of the review process. It is common that the review process be accompanied by the carrying out of administrative/adversarial proceedings to seek explanation from political parties/candidates and to identify information and documents that are needed to complete the substantive control. Regardless of your internal procedures, it is critical that your letter to the political party/candidate's sets a deadline for them to reply and informs them of what subsequent action [may be taken](#) in case of failure to address the issue(s) or to answer the request.

As part of the in-depth control, your staff members will need to consider the findings and conclusions set out in the financial monitor and auditor reports (if applicable) to assess:

- Whether the election finance report substantiates or negates the findings raised in the monitor/auditor report.
- Whether the monitor/auditor report raises novel legal issues that need to be referred before proceeding further.

Depending on your remit, you may also take into account information contained in [complaints](#) and obtained from any person/entity who may reasonably have relevant information (broadest remit) or from political parties/donors (limited remit).

3.2.4 Complaints and Allegations

What Are Complaints and Allegations?

In this section, complaints and allegations refer to accusations that someone has broken the rules governing political finance. The term "complaints" could also be used in situations where it is suggested that the oversight institution itself has not acted appropriately, but those situations should be dealt with by the institution's own procedures.

Even when you, as an [oversight institution](#), provide [advisory services](#), there will be times when the rules might be broken.

There are different ways to handle complaints and allegations, depending on a country's legal framework and traditions. In a significant number of countries, rules regarding the handling and examination of complaints and allegations are spelled out in a code of/law on administrative procedure. In these countries, the guiding principles, the examination and review process, and the appeals mechanism are stipulated in a legal act. In other countries, the procedures regarding the handling and examination of complaints and

allegations are encompassed in the political finance legislation or fall under the regulatory powers of the oversight institution. Given the diversity of legal and procedural systems pertaining to the submission of and dealing with complaints and allegations, some mechanisms or concepts described below will not be relevant to your system.

It is not just legal and procedural systems that vary from country to country; so can the terms used. In some legal systems, “complaints” are formal documents that must be lodged with a court or tribunal and “allegations” (sometimes called denunciations) are requests that can be filed with an institution/administrative body. In countries where complaints must be filed with a tribunal or court, often the oversight body will only be responsible for dealing with allegations. In other countries, no distinction is made between complaints and allegations and often the oversight institution’s remit is broadly drafted to encompass all suggestions of wrongdoing. Even for countries in this latter category, there may be significant variations. For example, in some countries the oversight institution must pass criminal matters to the police or prosecutorial authority for investigation. In other countries, the oversight institution might defer cases involving criminal breaches until the conclusion of the criminal proceedings. You will need to select the information most relevant to your own jurisdiction from the material in this section. The terms “complaint” and “allegation” are used interchangeably in this section, and you determine what practice pertains to your legal system.

Who Can Make Complaints/Allegations?

Complaints/allegations can be an important means for oversight bodies to learn about possible breaches of law/regulations. Therefore, it is good practice that the least restrictions possible be placed on who can make an them. Encouraging allegations as much as possible does carry some risks, but there are other ways to manage this than by restricting who can make one.

Questions may arise as to whether you should accept anonymous complaints/allegations. The first consideration is whether the applicable legal framework addresses the permissibility of anonymous allegations. If the legislation bans them, you may need to consider whether and under what circumstances the issues raised anonymously could be addressed *ex officio*. For example, if accusations in an anonymous complaint are supported by publicly available information, is your institution at liberty to begin a [review on its own initiative](#) without reliance on the anonymous complaint? One could argue that where a power is inherent in your authority to act *ex officio*, to ignore such information would require your institution to turn a blind eye to violations of the law.

Where there is no legal prohibition on anonymous allegations, you may need to consider whether to accept complaints from unidentifiable sources. There are advantages and disadvantages to accepting them. Some complainants may wish not to be identified for good reasons, such as fear of reprisal. On the other hand, allowing anonymous allegations can also encourage groundless allegations submitted for political reasons. In the United States, complaints must be signed and sworn to under penalty of perjury. In the United Kingdom, some complaints must be dealt with by the police and increasingly police forces are asking complainants to make a formal statement rather than accepting a letter. In both cases, the rationale behind such

stringent requirements is to make complainants think carefully about whether they wish to be accountable for the complaint they file.

With an effective [preliminary assessment](#) or [triage](#) process in place, however, groundless allegations can be identified and dismissed; a blanket refusal to accept anonymous allegations risks excluding important information about noncompliance with political finance laws. If you do accept anonymous allegations, you will need to consider how they can be made—most electronic or online methods will not be truly anonymous because the denouncer could be traced, and some people may therefore not trust those methods.

How Will You Allow Complaints/Allegations to Be Made?

Complaints/allegations can be made in many ways, and it is important to be clear which ways are allowed in your jurisdiction. It is common to require complaints/allegations to be in writing, so that there is no dispute over the content, which could happen if it is accepted via a note of a phone call. But it is important to consider whether anyone might not be able to make a written complaint/allegation (for example, because of a disability or language difficulties), and to have an alternative method to achieve a written record, agreed with the complainant, available if needed. Such an obligation is legally imposed in many jurisdictions. It may mean allowing a complainant to come to your office to relay orally their complaint, which you then transcribe into the required written format.

It is common to accept complaints/allegations by email, and some countries have recently developed other electronic methods such as dedicated portals/platforms specially designed to receive them. See, for example, the complaints system used by Albania's [Central Election Commission](#) while Lithuania's [Central Election Commission](#) uses an "[advertising trap](#)" portal.

It is good practice to make ways of making complaints or allegations as accessible as possible. Allowing only one method might exclude some people (for example, not everyone has reliable internet access), and you should also consider this in terms of any relevant equalities requirements. It is therefore recommended to allow as many ways of making a complaint or allegation as your institution can effectively manage.

Admissibility of Complaints/Allegations

On receipt of any information that may constitute a complaint or allegation, you will need to establish quickly whether the matter falls within your institution's jurisdiction. For instance, if the complaint/allegation is about breaches of social media regulation and media monitoring does not fall under your competence but is part of the media regulator's remit, then the complaint should be forwarded to the competent institution as quickly as possible.

In general, it will be a matter for the competent institution to consider the matter under its own jurisdiction and it will not be necessary for you to analyze the matter further at this stage. However, depending on any agreements in place with other institutions you may choose to conduct further analysis and provide this to the other institution.

If the matter falls within your jurisdiction, you may choose to make a [preliminary assessment](#) to decide what is the most appropriate way to deal with it.

What Will You Tell People Who Make Complaints/Allegations?

It is good practice, and in some countries a legal requirement, to both register and acknowledge all complaints and allegations received that meet the formal requirements ([Country example - Latvia.pdf](#)). This should be done in a timely matter, either within the time set by law or within a reasonable time established by the oversight body. With emails or online portals, this process can sometimes be automated. You will need to consider how much information to include, but it is helpful to confirm that the complaint/allegation has been received, explain what will happen next (for instance, you might explain the complaint/allegation will be considered in line with policy, and provide a copy of, or link to, the policy) and when the person can expect to hear from you again.

Where you establish that the matter needs to be referred to another institution of competent jurisdiction, it is good practice to tell the complainant this. It is also worthwhile to consider having an agreed procedure in place with other institutions, as appropriate, for referrals. Such agreements can help avoid the frustration of referring matters to an institution that cannot or will not act on your referral. Where the matter is outside the oversight body's jurisdiction but it is not directly referred or the correct jurisdiction is unclear, it is good practice to suggest possible other relevant institutions to whom the complainant may redirect their concerns. Where the matter does not in fact appear to be within any jurisdiction (for example, the behavior complained about is not in breach of any law but a question of morality) it is good practice to explain this to the complainant, so that the complaint is not then made to other institutions.

Depending on the applicable legislation and [your own practice](#), you may also have to send a copy of the complaint or a summary of the allegations to the party object of the complaint and provide them a deadline to respond. Depending on your country's system, you may have to blank out personal information related to the identity of the complainant (name, address, employment) according to data protection regulations or because the law foresees the possibility for the complainant/plaintiff to remain anonymous. In any case, this should not prevent you from communicating the nature of the alleged violations contained in the complaint/allegation to the concerned party/candidate. You may have some discretion about *when* this information is communicated, depending on the applicable legislation.

Consideration should also be given—if the relevant law, policy, or procedure allows it—to whether a complaint will be kept confidential, especially if it is anonymous, and, if so, exactly what will be confidential and for how long. Arguments supporting some level of confidentiality include the adverse impact of publicity surrounding a frivolous anonymous complaint filed right before an election and the interests of law enforcement bodies in being able to not disclose the exact outline of an investigation while it is ongoing. On the other hand, there is an obvious public interest in full disclosure of serious allegations before an election. As the oversight body operating in a politically charged environment, it is important that you develop a [policy](#) that addresses how you will handle such issues.

Where you have established that a complaint/allegation is within your jurisdiction, it is good practice (unless prohibited under domestic legislation) to conduct a preliminary assessment. This is a form of [triage](#)—to establish whether the matter justifies action

and, if so, what the best way of dealing with the matter is (for example, guidance, warnings, or investigation).

It is important that the assessment is in writing, so that you can refer to it later or show how the decision was made. The person conducting the preliminary assessment must also have no [conflict of interest](#) so to avoid any suggestion of bias or prejudice. You will also need to consider whether the complainant has any right of appeal against the outcome of the preliminary assessment under your country's legal system and/or your institution's established appeals mechanism.

You can choose not to conduct a preliminary assessment and take further action in every matter. In some countries the law actually requires every formally valid complaint be investigated. However, there are significant risks associated with this approach. First, the oversight institution could become overwhelmed with more matters than it has the resources to manage. Second, even if the volume is manageable, dealing with urgent or high-priority matters could be delayed as a result. Finally, this approach can encourage groundless allegations, because the complainant will know that, even if the institution eventually takes no action, the fact it looked into the matter can be used for political advantage. Having a prioritization system that helps sort the complaints and allegations received depending on the nature and severity of the reported breaches/violations can be of some assistance. In some countries, it can be used to winnow out insignificant cases at the outset. In countries that mandate all valid complaints be actioned, it can at least allow the oversight institution to focus first on the more important cases.

There are many ways in which this assessment can be conducted. You will want to consider what is the right method for your oversight institution. Some institutions use a basic form for the assessment, which sets out the questions and or considerations that need to be addressed but leaves the detailed analysis to the person conducting the assessment—you will find an example of a reporting template here ([Preliminary assessment form.pdf](#)). Alternatively, a more detailed analysis can be prescribed.

There are many different factors that can be taken into account in deciding whether a matter merits further action and if so how to deal with it. There may be unique factors in any country, but below are commonly used ones:

- Has the institution already assessed, investigated, and/or taken enforcement action on the issue or a similar issue?

It is always good practice to check whether the matter has been addressed before. In some cases, it is also useful to check with other institutions.

- Would the complaint/allegation, if proved, constitute a violation of the law?

Sometimes complaints/allegations are based on concerns that may have political or moral importance but are not actually against any rules.

- Is there sufficient evidence to justify an investigation?

You will need to think about what is a suitable level of evidence to require. Requiring no evidence will encourage groundless allegations, while requiring significant evidence will risk genuine concerns being rejected.

- Is the alleged violation time-barred under relevant law or institutional policy?

Many countries have a [statute of limitations](#), meaning that after a defined period of time possible violations cannot be actioned. Whether there is such a statute or not, it may be that you will want to have a policy with similar effect. It may not be the best use of your resources to be considering possible violations that took place many years ago.

- Is it appropriate to take the matter further?

This is the most complex, and often most significant, consideration. In some countries this can involve what is known as a “public interest test,” a term widely used to determine whether further action is warranted.

- If so, what is the most appropriate action?

It is important to consider all possible methods for dealing with a complaint/allegation as part of the preliminary assessment. It is easy to focus only on investigations and enforcement and you may have no discretion, but other approaches can be equally or more effective, if it is open to you to consider them. In some situations it may be more appropriate to deal with a matter by providing guidance or issuing a warning, but this will always depend on all of the facts and circumstances.

For example, where a new political party delivers a donation report in which some figures are slightly wrong, it might be an option to provide some guidance and propose corrective action rather than opening an investigation. On the other hand, where a political party appears to have deliberately tried to hide an illegal donation of substantial value, an investigation is much more likely to be appropriate.

Where a complaint/allegation is rejected for any of the above reasons, it is good practice to explain to the complainant/denouncer the decision taken and the reason for it, and to indicate any right of appeal against the decision they may have.

3.2.4.2 When Is It Appropriate To Take Further Action?

Whether it is appropriate to take further action can involve a number of considerations, and every case will need to be considered on its own facts, but some common factors that might be relevant are:

- The seriousness of the possible violation—for example, whether it was deliberate or whether the impact was significant (in terms of sums of money involved, election outcome, public confidence, or some other reason)
- The compliance history of the organization—is this the first time there has been a potential violation?
- How the violation occurred—was it due to the responsible officer being absent (ill or even having died) so something was not done, or a less experienced officer stepped in but made a mistake?
- The time that has passed since the potential breach—it can be difficult to investigate a breach that took place long ago as documentary evidence may no

longer exist and the memories of witnesses may have faded, and there is a risk that it would be unfair to the person accused.

- The cooperation of the subject of the complaint or allegation—when notified of this issue did the subject immediately apologize and seek to put things right?

You may also want to use indicators (like the ones shown in the template below) to determine whether the violations reported are serious enough and sufficiently grounded to trigger further action. These and other criteria can also be used to consider how complex the matter might be, the priority to be given to it, and in some cases whether it requires particular urgency. See templates for a preliminary assessment form ([Preliminary assessment form.pdf](#)) and for a substantive analysis form for complaints and allegations ([Substantive analysis form.pdf](#)).

| Indicators | Index | | | Additional information or explanation (if needed) |
|---|-------|--|--|---|
| Severity of the violation | | | | |
| Number (once, repeated, multiple cases). | | | | |
| People involved (number, identity, capacity) | | | | |
| Financial impact (low, medium, high) | | | | |
| Source(s) of information | | | | |
| Reliability of the source of information | | | | |
| Accuracy of information provided | | | | |

The severity of the alleged violation/irregularity is established by using sub-indicators, where a rating of 1 is the least severe and of 3 the most severe:

- Number/frequency of the violation/irregularity.
- Number and identity of involved persons.
- Financial impact (if measurable).

The reliability and accuracy of the sources of the information received are established by using sub-indicators where a rating of 1 is the least reliable/accurate and of 3 the most reliable/accurate:

- Reliability of the source of information—anonymous/signed complaint, supporting documents (photos, screenshots, interviews), substantiated information.

- Accuracy of information provided—original supporting documentation, precise locations of observed violations accompanied by signed testimonies (with names and phone numbers/email addresses of witnesses), dated photos, screenshots, etc.

The preliminary assessment may also include:

- Seeking further information or clarification from the complainant.
- Making initial and limited inquiries of the subject (although great care should be taken not to take any action that could lead to legal challenge).
- Considering information freely available in the public domain; for example, from press articles and relevant websites.

3.2.5 Audits

An [audit](#) is an examination of the contribution and expenditure documentation, banking statements, and other financial records of a submitting entity to assess compliance with existing auditing standards. Therefore, an audit is a type of review conducted in line with auditing and accounting standards and according to the legal framework, which is not necessarily linked to political finance or political finance-centered. In the context of political finance, the aim of an audit is to ensure that financial information included in reports submitted by political parties and electoral contestants is accurate, verifiable, and prepared in compliance with accepted accounting standards.

The audit of financial reports is distinct from the review of financial reports in that the latter usually consists of a thorough control of the substance of the financial reports, while often the legislation does not give the power to audit institutions to review the entirety of the submitted financial reports. A good example in that regard is provided by Montenegro, where two separate institutions are responsible for the review and the audit of political entities' financial reports. While the [Agency for the Prevention of Corruption](#) (APC) is tasked with the review of submitted financial reports and their compliance with the Law on Financing of Political Entities and Election Campaigns, the [State Audit Institution](#) (SAI) has authority to perform audits of the reports of political entities benefiting from public funds in accordance with the laws on accounting and audit. The SAI's remit is narrower than the APC's.

One of the purposes served by audits is to provide the public with information about the contributions and expenditures of political parties and electoral contestants, as well as the oversight body's assessment of the accuracy and completeness of reporting entities' financial reports. In some countries, formal audits form a critical accountability and enforcement mechanism for ensuring the integrity of political finance.

According to the IFES [TIDE Political Finance Oversight Handbook](#), "Auditing of political finance accounts can be done by a professional, independent auditor selected by the political parties and candidates; the enforcement body; or directly by a government agency, such as another enforcement body, tax authority or auditing agency." In countries where such a mechanism is foreseen, audits are carried out in three different ways.

In some instances, the oversight institution might undertake the audit, especially if it is also an audit institution. When conducting audits, it is good practice that the political finance oversight body develop [guidelines/procedures](#) spelling out the process and criteria to either audit or review financial reports. Depending on the oversight body's resources, it might not be possible for it to comprehensively audit all the reports. Then, it may decide to audit a sample of reports. The selection could be random or based on risk assessment criteria (for example, previous instances/history of noncompliance, complaints/media reports on irregular financing patterns, namely link between donors and participation in public procurement tenders and patterns in the awarding of tenders to main donors) or objective criteria (for example, campaign finance reports of elected candidates, reports of parties or candidates receiving public subsidies). As an illustration, you can find information about the [audit work of the U.S. Federal Election Commission](#), as well as its [directive on processing audit reports](#).

The audit procedures should also determine *what* will be audited (that is, all or just a sample of the documents, transactions, accounting and financial procedures and other records of the audited entity) and *when* the reports will be audited (that is, throughout the campaign, after the end of the campaign, every year for political party annual reports, or on a rotative basis).

If the legal framework applicable in your country foresees the certification of financial reports by auditors/chartered accountants, you will have an additional channel to flag potential issues of noncompliance. It is recommended to have in place cooperation mechanisms between the oversight institution and the independent auditors as regards the type of information auditors can access and the type of system they can use (paper-based or online system), as well as the division of tasks and responsibilities. Depending on the applicable legal framework, potential shortcomings could hinder the scope of the audit as auditors may, for example, be legally prohibited from looking at more than specified documents or accessing institutional databases/information, such as the civil registry, to check the permissibility of donors or the tax registry to check the donor records against tax statement records.

For example, in Lithuania, while auditors carry out independent inspection of all candidates and political parties and report on potential breaches/violations, the final decision is incumbent upon the Central Election Commission (CEC). Auditors conduct their audit according to legal provisions and the terms of reference defining the scope of their work. The terms of reference are approved by the CEC after consultation with the Chamber of Auditors—see this case study ([Country example Lithuania.pdf](#)). Independent auditors use the CEC's information system—specifically, the Political Parties and Political Campaign Financing Control Subsystem—to fill out and submit their reports, but also to access information as submitted by candidates and political parties. Through the CEC's information system, independent auditors can access information on the permissibility of donations or membership fees, (for example, if a [\[particular?\]](#) donor can donate, if a person is a member of political party, or the information received by the State Tax Inspectorate) or of political advertising spending, among other things. The ability of the auditors to access a large amount of information optimizes the scope of their audit and aims to increase political finance accountability.

Although independent auditors/accountants are generally appointed and paid by the political parties/candidates whose financial reports they certify, they are subject to their professional norms and standards, which vary between countries, that oblige them to abide by rules on impartiality and neutrality. There is a range of possible audit outcomes: auditors can certify the accounts without reservation, certify the accounts with reservation, or refuse to certify them. Auditors' opinions that are either qualified (with reservation) or adverse (refusal to certify) should warn the oversight institution as to the presence of potential irregularities/breaches of the law and should be taken into consideration when the oversight body conducts a [substantive/in-depth control of the concerned financial reports](#).

Whatever the rules in place, and in order to shelter external auditors from political pressure, it is good practice for the oversight body to pay them directly or for the legislation to foresee a rotation procedure so the same auditors cannot certify the accounts of the same party/candidate for more than a set number of consecutive years or for more than a determined number of electoral cycles.

For example, Article 92.7 of the [Electoral Code of Albania](#), stipulates that:

- “1. At the start of the electoral year, the CEC shall select by competition a list of licenced expert accountants.
2. The list must contain at least 20 experts, who have been exercising this profession in the last 5 years.
3. Procedures, criteria for the selection of the preliminary list, and their appointment shall be determined by CEC instruction. In any case, one auditor may not audit the same electoral subject for two consecutive elections.
4. The budget for elections must include the fund necessary for auditing electoral subjects and monitors of electoral campaign expenditures. The CEC shall define by decision the relevant contractual terms.”

In some countries, while the legislation sets thresholds for requiring an external audit, the oversight institution may well want to institute some level of oversight for reports/account below the threshold, based on random selection or criteria such as previous compliance issues or newcomers not familiar with the applicable legislation. In some countries, thresholds are set in the primary legislation. In the United Kingdom, a party's annual accounts must be submitted with an independent auditor's certificate if its income or expenditure is more than £25,000 (see [page 7 of this report by the U.K. Electoral Commission](#)). In France, political parties need to have their accounts certified by at least two auditors if their income [exceeds a set threshold](#). In Slovenia, the Court of Audit has the obligation to audit the annual reports of all political parties that receive annually at least €10,000 from the state budget as well as campaign finance reports of candidates who are eligible for the partial reimbursement of their electoral expenses.

In some other countries, the oversight body will not conduct any checks or cross-checks on the submitted reports audited by external professionals, and the supervision tasks will lie with the auditors. One issue with this approach is that it could potentially lack consistency and leaves interpretation of what might be relatively complex or ambiguous rules to individual auditors who are not necessarily trained in the details of political

finance. Also, the absence of institutional control over party finances could reinforce the distrust of the public in monitoring institutions, especially in instances where annual reports of political parties are reportedly known to be incomplete or untruthful.

3.3 Handling Issues of Noncompliance

Even when you, as an [oversight institution](#), provide exemplary [advisory services](#), there will be times when the rules might be broken.

The nature of the rules and the mechanisms for dealing with rule breaking vary from country to country depending on whether the law provides for criminal or administrative approaches (or both), and on whether you have the power to conduct administrative and criminal investigations, impose civil sanctions, and/or bring criminal prosecutions. In some countries, the political finance oversight institution must pass criminal matters to the police for investigation, after which the courts may take action.

In a [criminal \[criminal-law?\]](#) regime, breaking the rules normally leads to “offences.” There are many terms for non-criminal rule breaking depending on the country and the regime, such as “violation,” “breach,” and “noncompliance.” We will use the term “breach.”

It is essential that any oversight regime include methods by which potential breaches of the rules can be pursued and, where appropriate, action taken. Without a robust mechanism to deal with breaches, there is little incentive to comply and no deterrent to those who wish not to do so.

Whatever the regime, the mechanism generally has two elements:

- [Investigation](#)—steps taken to establish to the required level of proof for whether a breach has occurred.
- [Enforcement](#)—deciding and implementing the action to be taken where a breach has occurred.

You must have in place [policies and procedures](#) to ensure that the steps you take in pursuing and actioning possible breaches are, and are seen to be, impartial and consistent. This is not just to ensure individual cases are successfully handled but also to protect the legitimacy of the oversight body, because public trust will be undermined if there is a credible suspicion that you are not completely impartial.

Handling breaches can be broken down into distinct stages:

- [Triage](#) (deciding whether to investigate a matter).
- [Investigation planning](#).
- [Gathering evidence](#).
- [Record of evidence](#).
- [Assessment of evidence obtained](#).
- [Reaching conclusions on the facts](#).
- Decision on [whether a breach has occurred](#).

- Decision on [action to be taken](#).

Here is a flowchart showing how these stages can work:

Investigation and enforcement action should be separated as far as possible if you do both. Different parts of the organization, or different people, should independently decide whether a breach has occurred and, if yes, what action to take. This separation of decision-making is not always a legal requirement, but it helps avoid suggestions that the final decisions were unduly influenced by the views of the investigator(s) and is in keeping with the general legal principle that one cannot be both judge and jury. There should be some formal avenue for the person/entity being investigated to have the opportunity to challenge the evidence and recommendation of the investigators as well as to present their own evidence and arguments to the decision-maker. This can be done on paper or in a formal hearing. It is highly recommended, especially in countries where investigations and sanctioning decisions are not undertaken by different individuals, that there are clear rights of appeal, either to a higher-level official or to a court.

3.3.1 Investigations

General Principles

For detailed information on how to carry out electoral investigations, see the IFES [Election Investigations Guidebook: Standards, Techniques and Resources for Investigating Disputes in Elections](#).

The purpose of an [investigation](#) should always be to establish the facts in order to reach a view on the evidence. It should not be based on any *desire* to prove anyone is innocent or guilty, and it should not assume or care what the facts will prove to be. You should gather relevant evidence and consider it impartially, and be fair to everyone. In this way you will reach conclusions that are objective and evidence-based. For the same reason, it is important that investigations are conducted by appropriately trained officers and without political influence or interference. There are three main ways an oversight institution's own actions might undermine an investigation:

- By not conducting the investigation properly or competently.
- By conducting the investigation in a biased rather than objective or impartial manner.
- By taking too long or by rushing the investigation, and therefore being unfair to those involved.

To conduct an investigation that will lead to the right outcome and avoid potentially successful legal challenges to your decisions (see [Avoiding successful challenges to investigations.pdf](#)), your investigation should meet the following criteria:

- All of the relevant evidence is obtained properly: That means in accordance with any statutory powers and all relevant domestic laws (for example, relating to human rights, equalities, and use of data).

- Everyone involved is treated fairly: That means consistently while also recognizing each individual's needs or circumstances; you will want to avoid perceptions that public officials or officeholders receive preferential treatment because of their positions.
- The evidence is considered objectively and without any bias by a [specialized staff](#): Everyone who works on an investigation must be able to declare that they have no conflict of interest, so that they can show they are not biased. If there is any conflict of interest, a person should not work on the case (see [U.K. Electoral Commission's conflicts of interest template for investigations.pdf](#)).
- The investigation is conducted in a reasonable time, enough to ensure the conclusions are sound, but no longer: Different investigations will need different amounts of time, but all should be completed as quickly as they properly can be.
- The investigation complies with all relevant legal requirements, policies, and internal procedures of the oversight body.

That last point is vital. If the investigation does not comply with the relevant legal requirements, it is unlikely to survive a challenge. And every step, from your decision to open the investigation to the final conclusions, should be documented in accordance with your institution's [written procedures](#). Having an "audit trail" (for example, a contemporaneous record of decisions and actions and the reasons for them) is critical in case the investigation is challenged.

3.3.1.1 [Triage](#)—Deciding Whether To Investigate

Matters that could become investigations can arise from any of the [compliance control mechanisms](#) the oversight body operates. Regardless of source, it is good practice, unless prohibited under domestic legislation, to conduct a [triage](#) exercise when deciding whether to open an investigation into a potential breach. Remember that the person doing the [triage](#) must have no conflict of interest, as they are affecting a decision about a possible investigation. The [triage](#) usually involves a basic assessment of the matter to establish whether there is a case to answer and whether an investigation is warranted. Factors may include:

- Would the allegations, if proved, constitute a violation of the law?
- Is there sufficient evidence to justify an investigation?
- Is it appropriate to investigate? In some countries this can involve what is known as a "public interest test."

Whether it is appropriate to investigate can involve a number of considerations, and you will need to consider every case on its own facts, but some common factors that might be relevant are:

- The seriousness of potential breach: Was it deliberate? Was a significant sum involved?
- The compliance history of the organization: Is this the first time there has been a potential breach?

- The responsible officer being absent and a less experienced officer trying to help but making a mistake.
- Illness or even death of a responsible officer, which was a direct cause of the potential breach.
- The time that has passed since the potential breach: The more time has passed, the less an investigation might be able to achieve, although efforts to hide a breach or delay an investigation should not be rewarded.
- The cooperation of the organization: Did it self-report the issue before it became public? When notified of the issue, did it immediately apologize and seek to put things right?

In some situations, there may be other, more appropriate ways to deal with the matter, such as providing guidance or issuing a warning, but it will always depend on all of the facts.

For example, where a new political party delivers a donation report in which some figures are slightly wrong, it might be appropriate to provide some guidance rather than open an investigation. On the other hand, where a political party appears to have deliberately tried to hide an illegal donation of substantial value, an investigation is much more likely to be appropriate.

3.3.1.2 Planning an [Investigation](#)

It is recommended to produce a written plan for each investigation and highly recommended in the case of complex cases—an investigation plan template is available here ([see Investigation plan template.pdf](#)). Your investigation plan should set out what is going to be done and how. Your plan should show that all of the key issues were considered appropriately from the very beginning. It does not always need to be very long or detailed, but it should set out:

- The scope of the investigation: What specific potential breach(es) are you investigating? What [standard of proof](#) applies?
- What evidence do you require to establish whether the potential breach(es) occurred?
- Where can you obtain that evidence?
- How will you obtain the evidence? What powers can you use, and is it appropriate to use them or to use a voluntary approach, if this is recognized as an option in your jurisdiction?
- In what order might you want to obtain evidence? It is common to gather physical evidence first, and then consider getting explanations or testimony.

Remember that any person who works on the investigation should declare that they have no conflict of interest. That includes decision-makers, not just people gathering evidence. For inspiration, see the [U.K. Electoral Commission's conflicts of interest template for investigations.pdf](#).

3.3.1.3 Gathering Evidence

The conclusions of an investigation must be based on evidence, not suggestions or speculation. Evidence is generally any material that can help to establish facts. In some jurisdictions, the evidence must also be admissible in a court of law. In other jurisdictions, inadmissible evidence falls within the scope of investigation if it could reasonably lead to admissible evidence (for example, using a statement from an anonymous source to lead you to admissible evidence). Many jurisdictions impose requirements that all evidence be obtained lawfully. This highlights how important it is that everyone involved in conducting investigations is well trained in the applicable law in your jurisdiction.

There are generally four types of evidence:

- Physical documents: For example, bank statements, notes of meetings, or letters.
- Digital evidence: For example, emails, digital images, or text messages.
- Other physical evidence: For example, campaign items like banners or flags.
- Testimony from witnesses: Usually records of interviews.

The most common type of evidence in political finance investigations is physical documents, but digital evidence is quickly becoming more common. Testimony from witnesses can be important in providing more information about physical evidence or in recalling events.

If you have planned the investigation well, the evidence-gathering phase should be mostly a matter of following your plan. However, your plan may change or expand as the investigation advances. As evidence is gathered, you may identify new or further evidence you need to obtain—it is important to be ready to adapt the investigation when that happens. You need to record changes to the plan, and there are different ways to do this. For example, you can update the investigation plan throughout the course of the investigation, or you can instead make a separate record of actions and decisions after the plan was made, which shows how the investigation changed. In some cases, that might involve identifying new and different breaches to those that led to the investigation. Depending on the relevant laws or policies in your jurisdiction, you may need to consider whether the scope of the investigation should be expanded to include them and, if so, whether you need to notify the person or organization being investigated.

You should conduct all evidence gathering in writing so that there is a clear record. If you are using a legal power to require the production of evidence, you must comply with all relevant requirements for use of the power.

Documentary and Other Physical Evidence

Draft requests for evidence carefully. You need to frame them objectively and clearly, explaining any words or terms that may be open to interpretation and specifying the period covered by the request. The requests should be broad enough to cover all forms

(digital and hard copy) and all non-identical copies of the original documents (copies with handwritten notes). It is a good idea for the request to advise what the recipient should do if they have doubts about disclosing any material. For example, in some countries legal advice is exempt from disclosure on the grounds of “legal professional privilege.” One option is to require a brief description of material not being disclosed and the reasons for it being withheld; another is to require the recipient to contact you if they have any doubts about whether material should be disclosed.

You should specify how the evidence is to be produced—for example, is it to be sent to you in hard copy or electronically, or made available for inspection elsewhere? Finally, you should set a deadline for responding that is reasonable to the request (for example, a request for massive amounts of documents may require considerable time whereas a request for a single, readily available document may require only a minimum amount of time to produce). Although reasonable deadlines are important and generally should be met, you may offer to consider a request for more time if good reasons are presented to justify the request.

Digital evidence can produce unique challenges. It is easy to take screenshots, for example, but it is also easy for material to disappear or to be manipulated. You therefore need to take particular care in establishing the reliability of digital evidence.

Testimony from Witnesses

Obtaining testimony from witnesses, or from the subjects of investigations, is best achieved through interviews. Generally, it is best to interview individuals only after obtaining all documentary or physical evidence, so that it is clear what you wish to discover from the interview. In some cases, it may be helpful to ask witnesses to provide answers to written questions before an interview to establish simple facts (for example, dates and times of meetings, or names of certain people). Answers to these types of questions can help the investigator prepare for the actual interview and thus make it more focused and productive.

Your approach may differ depending on the person being interviewed, but some general principles apply to all interviews:

- An interview is a way of gathering evidence and needs to be planned carefully and conducted professionally.
- It should have a clear purpose.
- Interviews should always be recorded or documented.

Some more detailed guidance for interviews can be found here: [Interview guidance.pdf](#).

3.3.1.4 Records of Evidence

Just as it is vital to have a record of the actions and decisions you have taken during an investigation, it is also critical to maintain a record of all of the evidence acquired during the investigation—when it was obtained, from where, and how. This is sometimes called a schedule (see [Evidence schedules template with example content.pdf](#)). This can be a

simple spreadsheet in many cases. Each piece of evidence should have a unique reference and a brief, factual description. This includes interview records.

Record keeping takes time and effort; it is reasonable for the level of record keeping to reflect the complexity or seriousness of the case. For example, it may not be necessary to create a schedule if there are only four pieces of evidence. The essential point here is that an accurate record makes it harder to challenge the evidence, as well as making the administration of the investigation easier.

3.3.1.5 Assessment of Evidence

Once the initial evidence gathering-process is complete, it is important that you review all the evidence. This enables you to establish first whether there is enough evidence to reach a view on the facts or if you require further evidence, and second which facts are confirmed by the different sources of evidence and which appear to be disputed. If further evidence is needed, it should be obtained at this point.

3.3.1.6 Reaching Conclusions on the Facts

Once you have gathered all relevant and obtainable evidence, you can decide what the facts are; in other words, what you have decided happened.

There will generally be some agreed facts. Agreed facts are ones that all of the evidence supports. For example, if money was transferred from person A to person B, and both persons agree that this happened, and there are bank records showing it, that is an agreed fact. Agreed facts can be accepted without further work. If all of the facts are agreed, you can decide what happened straightaway and proceed to determine whether the facts support a finding of breach or no breach.

However, there will usually be disputed facts where all of the evidence does not support one view. For example, person A says they gave money to person B in cash, but person B says the money was never given, and no bank record exists to prove the situation.

Disputed facts mean you need to decide what really happened. Reaching a view on disputed facts always depends on the specific circumstances, but some general approaches are often used:

- Weight of evidence—if a significant majority of the evidence indicates one view and only a small minority indicates another view, the majority may be more reliable.
- Quality of evidence—if two witnesses describe something differently, but one was in a better position to describe it (for example, one was at a meeting but the other was only told about it), that evidence may be deemed of better quality.
- Reliability of evidence—if two witnesses give different evidence but there are reasons to doubt the evidence of one (for example, other evidence they gave has been shown to be inaccurate), the more reliable witness may be given precedence.

These factors are merely illustrative, and there will be many other ones you need to consider, in particular when deciding how to resolve disputed facts.

Once you have identified all the agreed facts and reached a view on any disputed facts, you have decided what transpired in relation to the allegations. You now must weigh the evidence against the relevant [standard of proof](#) that must be met to reach a decision for each potential breach on the specific facts of each. Where your decision rests on disputed facts that are finely balanced, that may have an impact on whether the standard of proof can be met.

You should set out your decision on each potential breach in writing. This may be in a report, a legal notice, or some other form. Whatever the form, it is important that:

- You set out the findings of fact, along with the analysis of the evidence that has led you to find those facts.
- You then apply the facts to the required elements of the potential breach(es) or offences with analysis of whether they have occurred.
- Your findings should be accompanied by supporting documents—a schedule of evidence and a record of actions and decisions taken during the investigation.
- The subject of the complaint should be afforded the opportunity to review the proposed findings and supporting documentation, and to put forward evidence and/or arguments in opposition to your conclusions. The exact nature of what the subject is provided with, and at what stage, may be set out in law or, if not, should be included in your institution’s policies/procedures, to ensure consistency.

3.3.2 Enforcement

General Principles

Where an investigation identifies a breach and the responsibility for taking enforcement action lies with the [oversight body](#), you should have a separate process to consider the facts of the case, take into account all relevant factors, and reach a decision on the appropriate enforcement action to take.

As with [investigations](#), any person who works on the enforcement action should be able to declare that they have no conflict of interest ([see the U.K. Electoral Commission’s conflicts of interest template for investigations.pdf](#)).

To show that enforcement action is not taken simply for its own sake or for party-political reasons, it is helpful to have clearly defined objectives for the actions you take when breaches are identified. As far as possible, you should publish those objectives, so that those who are subject to regulation and the wider public can see them.

Elements that should be considered:

- [Objectives of enforcement action.](#)
- [Proportionality.](#)
- [Relevant factors to consider.](#)

- [Types of enforcement action.](#)

3.3.2.1 Objectives of Enforcement Action

It can be helpful for the oversight institution to have objectives for enforcement action. These could be published. Objectives can provide the basic justification for enforcement action to avoid the suggestion the institution is just taking action because it is biased against a party or individual. Any action should be intended to achieve at least one of the objectives. You should establish your own appropriate objectives in terms of enforcement action based on the relevant law and priorities of the oversight institution, but some examples might be:

- To ensure that confidence in the regime is maintained.
- To eliminate any benefit gained from a breach.
- To deter further breaches by the organization in question, and by others as well.
- To seek fair and impartial enforcement when the law is violated.

3.3.2.2 Proportionality and Deciding Which Factors To Consider

Any decision on enforcement action should take account of the principle of proportionality—this means taking enforcement action that is appropriate and will achieve your objectives, but not action that goes beyond that. Disproportionately strict enforcement action risks challenge, creates the appearance of partiality or inconsistency, and can be a blow to political pluralism. It should in all decisions be remembered that, as the Venice Commission argues, [“Political parties are critical institutions through which citizens organize themselves to participate in public life, among which they choose at elections, and through which elected officials cooperate to build and maintain the coalitions that are the hallmark of democratic politics.”](#) On the other hand, disproportionately light sanctions may signal to political actors that they can violate regulations without significant consequences. This can be particularly noticeable in cases where receiving large prohibited donations can only be sanctioned by small, fixed fines.

One recommended approach for ensuring that proportionality is respected, if the relevant law allows, is to prescribe ranges of actions or fines for particular types of breaches or violations. Alternatively, you can consider each case individually and begin by looking at the least severe form of action first to determine whether it meets your enforcement objectives. If not, then move on to the next level of action, and so on until the level is reached at which the relevant objectives are likely to be met. You should always consider taking no enforcement action at all as the first option—as there may be instances when no action is necessary to achieve your enforcement objectives. For example, where a new party makes minor inadvertent errors in, for example, a donation report, you may be able to achieve your objectives by providing guidance to the party, without the need for other action.

Deciding on the most appropriate action will always depend on the specific circumstances of a case, and no two cases are likely to be identical. It is not therefore possible to set out all of the factors that will be relevant in any particular case. Below, however, are some that will often be relevant. As with objectives, it is helpful to publish these in the interest of transparency. Assuming that this is permitted by legislation, you may wish to take into account some or all of the factors below (reproduced from the American Bar Association Standing Committee on Election Law’s [International Election Remedies](#), Chapter 10: “Campaign Finance Remedies”).

| Consideration | Proportionality Guideline |
|---|--|
| The monetary amount involved in the violation | Receiving a very large prohibited donation should carry a tougher sanction than receiving a small donation from the same source. |
| The impact of the violation on democracy and public confidence in the political system | A technical infringement with no direct effect should carry limited sanctions, while widespread violations (such as vote buying) that threaten the fairness of an election should carry severe sanctions. |
| Gain resulting for the violator | Any gain—financial, electoral, or otherwise—resulting from the breach |
| If the violation was committed intentionally | While ignorance of the law may not be an acceptable defense, intentional violations should be sanctioned more severely. |
| If attempts have been made to hide the violation | Actors who report possible (minor) violations themselves should not be sanctioned, if there was no intent to violate the law. However, those who have attempted to hide violations should be sanctioned more severely than those who have not. In addition to whether the actor reported the potential violation, the level of cooperation shown during an investigation may also be taken into account. |
| If the violation is a repeat offense | Actors who continue to commit violations should face more severe sanctions. |
| If the actor has refused to abide by earlier ruling | Actors who refuse to abide by earlier rulings (for example, to return a prohibited donation) should be sanctioned more severely. |
| Possible detrimental impact on the democratic process or pluralism of imposing the sanction | In some cases, a remedy may be appropriate based on the severity of the violation and its potential impact on public confidence in the electoral system, but imposing the remedy would negatively impact the democratic process (for |

example, if imposing a particularly large fine would bankrupt a political party).

3.3.2.4 Types of Enforcement Action

The available options will depend on the local regime, which may vary significantly. Sometimes the legislation will set out specific enforcement actions for various breaches; in other instances you may have discretion to determine the type of enforcement action to take. In general, the two most common types of enforcement action are fines and powers to require particular action (for example, return of donations or improvements to systems). We will call these “directions.” Depending on the regime, it may be possible for you to use fines and directions in combination, or it may be a matter of choosing between them.

In some regimes, where there is significant public funding of political parties, another option might be suspension or disqualification from receipt of public funds for a period of time. In some regimes an individual who commits a breach or offence might be barred from holding office or being a candidate for elected office for a set period. Where political parties or other organizations must be registered, another possible option is removal from the register. Deregistration is a very serious action with potentially severe consequences for political pluralism and, if it is an option in your jurisdiction, it should be used [only in the most exceptional of circumstances](#).

Directions

Directions requiring specific actions to be taken can be helpful in ensuring that any loss of transparency is corrected, as well as in requiring organizations to improve their systems and procedures. Similarly, requiring the training of officers or requiring periodic audits are options that can lead to better compliance in future. When using directions, it is essential to ensure the required actions are very specific, clearly explained, and subject to a set timescale. The failure to comply with a direction should generally lead to some further form of enforcement action.

Fines and Levels of Fines

Fines can be helpful in deterring further breaches for the subject of the investigation in question and for others. They may to some extent help to eliminate any benefit from the breach. They are unlikely, however, to ensure that any loss of transparency is corrected. There is also a danger that where a breach arises from neglect or other inadvertence, a fine could mean the organization spends money paying the fine that could have been invested in improving compliance. Of course, where the breach involves illegal funding or expenditure, fines exceeding the illegal amount (coupled with disgorgement, where appropriate) may be necessary to avoid the penalty being seen as just the “cost of doing business.”

The local regime may set specific fines for particular breaches, or it may set a range of monetary penalties with a maximum level fine that can be imposed. Where there is a range, the oversight body will need to establish criteria for determining the level of the fine to be imposed. In some countries, it may have a set formula for calculating fines. In

the United States, for example, the Federal Election Commission has published a [penalty calculator](#) for late submitted reports. This can be helpful for routine violations that are easily quantifiable and result from genuine mistakes or oversight. In other countries, such as the United Kingdom, the oversight body determines the level using the same proportionality approach as set out above to ensure that the level of fine is enough to achieve the relevant objectives, but not more.

Decisions

As with investigations, you should make a clear and detailed written record of your decision and the reasons for it, with all relevant analysis. The record should show that all relevant factors were considered, including all of those included in any policy or procedure of your institution. Where a factor was not considered relevant, you should record this as well.

Imposing Directions and Fines

The local regime may set out procedural requirements for imposing directions and fines, which you must comply with to avoid challenge. If you have discretion, it is important that the subject of the direction or fine be given an opportunity to challenge or make representations on the decision to make the process open and fair. This may involve an opportunity to comment before the decision is finalized or a right of appeal afterward, or both. In some regimes the right of appeal is to the courts or another body than the oversight institution, which adds a further check to the oversight institution's decision.

Publicizing Investigations and Enforcement Action

A challenging question concerns what information you should disclose about investigations and enforcement.

It may sometimes be appropriate to make public the opening of investigations, but there are also risks to the integrity of the investigation and questions of fairness to the subject(s) of the investigation. However, even where the start of an investigation is proactively made public or confirmed in response to press inquiries, it is good practice not to disclose any information about it while it is in progress. Such disclosure increases the risk that information in the public domain may lead to evidence being altered or destroyed, or to witnesses being reluctant to provide evidence. It also increases potential prejudice to the subject(s) (in particular if done before Election Day). You may also find yourself having to spend time responding to press questions about the investigation rather than carrying it out.

It is good practice to make public the outcomes of investigations, whether a breach is found or not and whether enforcement action was taken or not. It is beneficial to be transparent about your enforcement actions for which you should be accountable. This type of transparency is essential to fostering the public's confidence that matters are properly investigated, that reasoned decisions reached, and that those who fail to comply with the law are held to account. Finally, since enforcement action is intended to deter noncompliance by others, it is necessary for them to know that action you have taken against wrongdoers.

It is highly advisable to have a well-developed, published disclosure policy to address what information you will release about investigations, when you will release that

information, and in what form. Such a policy will ensure there is clarity and, provided you adhere to the policy, it can help negate allegations of bias or unfavorable treatment.

The U.K. Electoral Commission's disclosure policy is published as Appendix B to its [Enforcement Policy](#).

3.4 Ensuring Appropriate Resources To Deliver the Oversight Institution's Role

In developing your strategic framework and setting out your [vision and objectives](#), you will need to consider how you will deliver that strategy. This means identifying the activities you will undertake, given your financial capacity and budgetary constraints, and then ensuring that the activities are properly resourced.

By way of illustration, let us assume that your strategic vision is to ensure that the political finance rules are complied with. Let us further assume that you set two key objectives to deliver that vision: first, to help all who wish to comply to do so and second, to hold to account those who fail to comply with the law. Some activities that might flow from this are shown below.

Once you have identified all desired activities, you will need to think about the various tools required for successful implementation of each. It may be helpful to group these tools into three categories, as shown in the diagram below. The first two, [policies and procedures](#), clearly are important tools. In addition to them, you will also need to consider the requisite resources—human resources (staffing), material resources (equipment), and other financial resources.

Resorting once again to our hypothetical scenario, we can explore the resourcing component further by focusing on one of the identified activities: investigations. When considering your staffing requirements, you will want to consider the number staff members, the requisite skill sets, and the required level of experience/expertise. Considerations relevant to determining the **number of staff** needed will require you to make assumptions about the number of cases to be investigated, the type of violations involved, the anticipated complexity of the cases, any set timeframes for completing cases, and whether staff members will have other assignments to handle alongside their case work. The desired **skill set(s)** would likely include: the ability to understand and interpret legislation, a knowledge of regulatory procedures and practices, investigative skills such as the ability to conduct interviews and to draft requests for documents, the ability to audit financial records and follow a financial trail, the ability to analyze factual scenarios and to apply the law to them, and the ability to write reports of findings and conclusions. You may also want to consider what level of experience would be optimal. Clearly, if the oversight body is called upon to investigate senior politicians or high-profile matters, it will be important to have staff with considerable experience. See further [here](#).

Regarding the type of **equipment** that might be necessary to resource the investigation function, much will depend on your country context. For example, transportation needs may be met best by having a dedicated vehicle in some countries but may be inappropriate in others. There may be a need for secure storage of documents and

other evidence. And, if you wish to record interviews, then some form of recording device and possibly a transcription service will be required.

The required amount of other **financial resources** will also vary from jurisdiction to jurisdiction. In some countries, witnesses who attend interviews are entitled to payment of expenses and perhaps a set witness fee. There may be a need to retain experts (for example, IT or auditing experts). And, if you are dependent on commercial air transport or other paid forms of transport, provision for such costs should be made in your resource envelope. The important point is that you should give due consideration to the type of out-of-pocket expenses you are likely to incur in undertaking your investigative activities and ensure that they are budgeted for.

3.4.1 Structural Models for Political Finance Oversight

Depending on the structure of your institution, you may have a dedicated department dealing with political finance monitoring and oversight or rely on your legal department to take on this task, or you may have a few core staff assigned to political finance who are assisted by employees from other departments.

There is no one model that will fit all jurisdictions. Much will depend on factors such as the scope and breadth of your remit, the number of political actors you are required to regulate, and their level of experience and sophistication. It may also be relevant whether your institution is in the start-up phase or having to implement significant legal changes. However, where the functions are split across various departments, certain challenges can arise. Staff from other departments, for example, may feel less ownership of the political finance work and less invested in it. In addition, it can be difficult to develop internally a consolidated view of how the system works and to create a unified message that can resonate internally and externally.

3.4.2 Resourcing Issues and How To Address Them

There are several common resourcing issues that [political finance institutions](#) may confront in some form or another depending on country context.

In some countries, governmental financial support for the oversight body is inadequate to allow it to succeed in delivering its core responsibilities. This may be the result of competing financial priorities but can also represent a deliberate attempt to financially starve the oversight agency and thus neutralize its impact. This is an area where public pressure from civil society organizations and the press can help. One mechanism that has been tried is a multiyear budget for the oversight institution to try to prevent budget retribution by the government in power for decisions it does not like. Another approach is to include a provision in law that provides a structured formula for setting the budget. While both approaches guarantee a minimum budget, they can make it even more challenging for the oversight institution to obtain additional funding, even if legitimately needed.

The political finance workload is often cyclical, peaking in the run-up to elections, around the time financial reports are submitted to your institution, and during the period

when you review them. Therefore, it is recommended that you have a workforce or staffing plan in place to set out how you intend to resource your delivery during these known peaks as regards the number of staff needed, their specializations, and their level of experience.

Your workforce plan may be simple and focus mainly on retaining/increasing the staff you need to fulfill your role during these peak periods. Depending on the structure of your institution, you may want to hire additional staff members or to recruit external rapporteurs/persons to help with the monitoring process for a limited amount of time. In France, the oversight institution recruits during the pre-election campaign period around 200 rapporteurs who are not employees but work for the [Commission nationale des comptes de campagne et des financements politiques](#) on a temporary consultancy basis. They are tasked with the first phase of control and their role is to facilitate the control process by flagging violations/breaches at an early stage. The legal department also increases its staffing by recruiting lawyers and/or accountants for six to eight months to help with the review and checking of financial reports. The budget is therefore increased in years where elections are held.

Your workforce planning may also become more complex during transitional periods. For example, you may need to shift your staffing complement or structure to meet the demands of new legislation that significantly changes or augments the work you need to undertake (for example, extending your remit to cover candidates and not just political parties, new regulations for [non-contestant campaigners](#) or monitoring of spending on social media, or rules that confer a role for your oversight body in the fight against [abuse of state resources](#)). Or you may be on the verge of implementing a new technology (for example, an e-filing/reporting database) that could alter your staffing needs.

Finally, it can be challenging to find staff with experience relevant to political finance, particularly in countries where political finance regulation is a relatively new area. Political finance regulation differs from other enforcement regimes, such as health and safety. It requires sensitivity to fundamental freedoms of political participation and a strong will to defend the democratic process from corrosive influences in an area where the stakes are very high. This, coupled with the need for staff to be, and to be perceived to be, impartial can present significant challenges. It may lead you to consider [additional training and development opportunities](#) to offset a lack of prior experience among staff members.

3.5 Operational Policies and Procedures

What Do We Mean by Operational Policies and Procedures?

Operational policies and procedures are key tools for implementing political finance legislation and the [oversight institution](#)'s strategic framework. For purposes here, **policies** refer to high-level guidelines that frame your approach to decision-making. Policies should align with the strategic framework and help explain the bases upon which decisions are taken. **Procedures**, by contrast, provide specific step-by-step instructions for how specified tasks are done to fulfill the agreed policies. Some

distinguish policies from procedures by saying that policies drive decisions while procedures drive actions.

Why Are Operational Policies and Procedures Important?

Policies and procedures are important tools for implementing political finance legislation and the oversight institution's strategic framework. They help transform the [oversight institution's purpose, vision, and values into reality](#)

Political finance regulation must be administered in an impartial and consistent manner to ensure fairness and inspire confidence in the democratic process. Policies set the "rules of the game" for the regulated community and the oversight institution. Making policies publicly available also serve as benchmarks for those who monitor and hold the oversight institution to account, such as civil society organizations and parliamentary scrutiny committees. Written procedures give your staff clear direction about how they are to perform their duties and help safeguard consistency and impartiality.

Principles Underpinning Operational Policies

General principles to guide you in developing your operational policies include:

- The policy should be consistent with the legal framework and your institution's overall vision/approach and goals.
- The policy should cover all aspects of the issue.
- Minimize the burden imposed on participants as much as possible while achieving the policy's intended purpose.
- Consult with stakeholders as you develop the policy.
- Ensure that the policy is written clearly and is easily accessible to all.
- Review established policies occasionally to ensure they are still fit for purpose.

What Type of Operational Policies Are Needed by Oversight Institutions?

Policies take different forms and may be referred to differently from one jurisdiction to another. They may be called edicts, orders, bylaws, instructions, regulations—or simply policies. In some countries the primary legislation will confer a general power that can be read to encompass the issuance of policies; in others the legislation is more explicit about the power; and in still others, the law specifically requires the oversight institution to publish a policy on specific topics. A final area of difference relates to the nature or effect of policies issued by the oversight institution. In some jurisdictions they will have the force of law; in others they will be advisory only and in some they may have the force of law depending on the method used for their issuance. In short, you will need to establish a clear understanding of the legal basis of policies in your jurisdiction.

There is no universal approach to the format or style of policies, as these will be influenced by the law and customs of each individual country. However, there are some common substantive areas that warrant having well-considered guidelines to inform decision-making even in the absence of statutory requirements. Typical policies issued by oversight institutions include:

- [Control of election campaign finance reports.](#)

- [Complaint handling.](#)
- [Enforcement actions and sanctions.](#)
- [Disclosure of information.](#)
- [Publication of political finance data.](#)
- [Document retention.](#)
- [Prioritizing resources and workload.](#)

What Type of procedures Are Needed by Oversight Institutions?

There is no prescribed list of procedures that every oversight institution must have. However, the general rule of thumb would be to develop a written procedure for any activity that is critical to your mission and where errors would have significant consequences.

Whatever procedures your oversight institution decides to have should be set in writing and spell out what steps are to be taken, by whom, when, and how. It is worthwhile to develop a systematic approach to the [development, maintenance, and review of all procedures](#). This would include having a mechanism to ensure the procedures are being followed and a mechanism for encouraging and managing change requests.

3.5.1 Discussion of Policies

- **Control of election campaign finance reports:** It is helpful for electoral contestants and civil society organizations to have a clear understanding of the oversight institution's position on how it will approach the submission and review of campaign finance reports: What action may ensue if a report is not submitted on time, is inaccurate, or fails to comply with required format? [What level of scrutiny will the reports undergo?](#)
- **Enforcement actions and sanctions:** An enforcement and sanctions policy addresses what happens when there has been noncompliance with the law, what factors will be considered when determining whether to investigate a potential breach, what are the guidelines for conducting investigations, and what criteria apply when determining sanctions. For more information, see the [section on handling issues of noncompliance](#) with the law.
- **Disclosure of information:** It is important to have clear guidelines on what [information the oversight institution will disclose](#), to whom, and when. For example, will the oversight institution confirm that it has received a [complaint](#) against a political party and/or will it disclose publicly when it has initiated an investigation against a political party? The timing for disclosing complaints and outcomes of investigations can be critical during election periods as it can have an impact on the election result. Without having a clear disclosure policy or adhering to one, the decision to disclose or not to disclose such information could be seen as politically motivated. An established policy of when and how enforcement and other decisions will be announced can counter unwarranted accusations of political bias in the handling of such matter.

- **Publication of political finance data:** The publication of political finance reports and data may appear on the surface to be straightforward but it is not. Common situations that arise include whether to publish reports that fail to comply with technical requirements, whether to allow amendments to previously submitted reports, and, if so, how to reflect that the information has been amended. Publication policies will also need to reflect application laws regarding personal data, or if there is not relevant data protection laws, the oversight institution will need to determine [how much information should be published](#) online; for example, the names and details of all vendors to the various political parties and candidates or just those whose transactions exceed a certain level.
- **Prioritizing resources and workload** (see [Hints for developing policies for prioritizing resources and workload.pdf](#)): An oversight institution ideally will be sufficiently resourced to handle all its activities and to manage its workload in a timely manner. However, staff shortages can occur due to lack of allocated resources or due to recruitment issues. In the context of enforcement work, an argument could be made that not all potential breaches of political finance laws warrant enforcement action and that [allocating time and resources to them simply is not proportionate](#).

3.5.2 Procedures (Consideration for Oversight Institutions)

In addition to providing a framework for ensuring consistency and impartiality, there are several operational benefits to having a set of written procedures:

- **The best way of doing things can be agreed and then followed:** For example, in performing control of campaign expenditure reports, the procedure would specify what the order of each step in the process, the documents to be considered, and the tests to be applied.
- **Eliminates ambiguity about who should be doing what and when, within teams and between teams:** For example, some staff may be tasked with examining financial reports for possible illegal sources of funding, while colleagues from another team may be responsible for initiating administrative proceedings once illegal funding has been identified. In this case, a procedure setting out what information and documentation is to be provided to the administrative proceedings team member, the format for setting out the information, or how to complete of referral log, for example, will avoid communication issues and misunderstandings.
- **Allows for continuous improvement and a means for improvement suggestions to be properly dealt with by managers:** A procedure for making suggestions can encourage staff to bring forward ideas for greater efficiency and effectiveness. It provides a specific way to flag such ideas and then allows them to be tracked for consideration by management. This avoids suggestions being neglected or ignored, which discourages staff from making any further ones. For example, a staff person may suggest sending a reminder notice about a filing deadline to cut down on the number of late submissions. The procedure might

identify to whom the suggestion should be made, how it should be made, and a timeframe for a decision to be made on the suggestion. Change requests should be tracked from their receipt to resolution. This helps build [staff confidence that their suggestions will be taken seriously](#) and addressed in a timely manner (see [Sample change request spreadsheet.xlsx](#)).

- **Accelerates training and induction of staff:** Oversight institutions, like all organizations, will experience staff changes from time to time. Unlike many other organizations, there will likely be a spike in staffing numbers in the run-up to electoral events. This means that new staff need to be trained quickly and usually during a crunch period. Having written procedures can lessen the time and effort it takes to bring new staff members up to speed.

How To Design Procedures?

Five essential steps for developing procedures:

1. Identify and prioritize the key processes based on a [risk assessment](#) (for example, which errors are most likely to occur and which errors will create the most damage).
2. Engage staff in developing the procedures. They know the current processes and will be the ones to use the new procedures.
3. Develop storage for the procedures, preferably on a suitable intranet system. Best to avoid paper manuals that can become outdated quickly and create version-control issues.
4. Keep the procedures up to date by acting on suggestions for change, reacting to external changes (for example, changes in the law), and undertaking quality audits.
5. Check that the initial mapped procedure and any proposed changes to current procedures are consistent with applicable legislation.

(see [Sample procedure.pdf](#))

What Are Quality Audits and Why Conduct Them?

There is no point in having written procedures unless they are followed and kept up to date. Quality audits, which can be undertaken by peers or supervisors, provide a systemized way to achieve these goals. The audit would review how staff have executed a particular activity. For example, a team member may review the case file of their colleague to ensure that a complaint has been assessed in accordance with steps set out in the complaints' assessment procedure. If there are deviations from the agreed procedure, an explanation would be sought. It may well be that the colleague had found a more efficient way to perform the assessment or that the assessment procedure is outdated. And, if it was an error or misunderstanding of the procedure, then the audit provides an opportunity to clarify and reinforce the procedure's requirements; it is not intended to be part of any formal performance appraisal.

The tools needed to undertake quality audits include:

- A schedule of which procedures should be audited and when. It may well be that and audit of one procedure per quarter is sufficient, depending on your assessment of need and risk.
- An audit review template ([link to example of template](#)).
- Guidance to staff and those conducting the audits about their purpose.