

Survey on mandate to audit financing of the Political Parties in the EU Member States and ECA

- The survey was done by the State Audit Office of the Republic of Latvia
- 24 respondents provided their answers, for 4 SAIs (marked with *) answers are taken from the survey done by the Macedonian SAO in February 2009
- **13** out of 28 respondents have the mandate to audit Political Parties (PPs)

Country	Mandate to audit PPs	Clarification/Additional details
Austria	NO	In general the ACA has no mandate to perform audits on financing of political parties. However according to the Political Parties Act 2012 every political party shall submit the statement of accounts including lists of donations, sponsorships and advertisements and a list of the undertakings in which shares are held to the ACA by 30 September of the following year. The statement of accounts shall be audited and signed by two auditors not working together in a joint office. The auditors shall be appointed by the ACA from among five auditors proposed by the relevant political party. The ACA shall verify the numerical correctness of the statement of accounts and its conformity with this Federal Act (Political Parties Act 2012 §§ 5 (2), 5 (7) and 10 (2)).
Belgium	NO	Auditors from private companies are responsible for certifying the accounts of PPs
Bulgaria	YES	The SAI of Bulgaria has mandate to audit the financing of political parties. The obligation to carry out financial control over the activities of political parties and the management of their property is elaborated in detail in the Political Parties Act. The Bulgarian National Audit Office is also obliged to verify the correspondence of the financial resources raised, as declared, to the financial resources actually spent in connection with election campaigns. A single public register of the parties, coalitions of parties and nomination committees participating in elections is established and maintained by the Bulgarian National Audit Office. This obligation is stipulated in the Election Code.
Croatia	YES	Croatian State Audit Office has a mandate to audit financing of political parties, as well as a broad experience in that field.
Cyprus	YES	Audit Office of Cyprus has not performed any audits regarding the financing of political parties as yet. We should note however, that a new law has been passed that regulates such financing and requires for the political parties consolidated financial statements to be audited by the Auditor General of the Republic. Our Office is due to commence such audits in the very near future.
Czech Republic	NO	
Denmark*	NO	
Estonia*	NO	
European Court of Auditors	YES	The ECA's mandate allows to perform audit on financing of political parties as far as they are recipients of funds from the EU budget. Please see Opinion No 1/2013 concerning the proposal for a regulation of the European Parliament and of the Council on the statute and funding of European political parties and European political foundations and concerning the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU, Euratom) No 966/2012 as regards the financing of European political parties http://www.eca.europa.eu/Lists/ECADocuments/OP13_01/OP13_01_EN.PDF and Special Report No 13/2000 on the expenditure of the European Parliament's political groups http://www.eca.europa.eu/Lists/ECADocuments/SR00_13/SR00_13_EN.PDF .

Finland	YES	The task is prescribed in the Act on Political Parties concern mandatory disclosures of funding. The National Audit Office makes sure that all those who are required to do so file the disclosures required by legislation. The Act on Political Parties requires the filing of disclosures by registered parties as well as district organisations and women’s organisations receiving party subsidies.
France	NO	Our SAI has no mandate to perform audits on financing of political parties. However a committee called “Commission nationale des comptes de 2hampagne (CNCC)” chaired by a former First president of the French SAI, was set up in 1990 in order to control Campaign accounts and political funding. For your information, the members of this committee are appointed for renewable five years by a presidential decree, on the respective proposals from the vice president of France’s Council of State (Conseil d’Etat), the first president of the Court de Cassation and from the first President of the Court of accounts.
Germany	NO	The German Political Parties Act provides for auditing by the SAI of the accountability records that political parties have to submit to the President of the directly elected House of Parliament. The President of Parliament has to examine the accounts and reports submitted by the political parties and then to decide on the amount of funding they will receive. As a result, the SAI does not audit the use and amount of the financial resources themselves but the relevant reports on their funding situation and the distribution of funds. We do this work regularly.
Greece*	NO	
Hungary	YES	The three main audit areas are the following. <u>1. Financial management of political parties</u> On the basis of the Act LXVI of 2011 on the State Audit Office of Hungary: “As required by provisions of law, the State Audit Office of Hungary – in terms of legality – shall audit the financial management of political parties. Within this scope and on the basis of the Act XXXIII of 1989 on the operation and financial management of political parties the SAO shall audit every two years the financial management of political parties receiving budgetary subsidies on a regular basis. Please read our website for further details, for example: http://www.aszhirportal.hu/en/reports/financial-management-of-political-parties-and-their-foundations <u>2. Funding of political campaign (for parliamentary elections)</u> Pursuant to the Act LXXXVII of 2013 on the Transparency of Campaign Costs related to the Election of the Members of the National Assembly, within one year from the election, the SAO shall perform a compulsory audit concerning the use of funds with respect to the candidates who have obtained a mandate in the National Assembly and their nominating organisations and with respect to other candidates and nominating organisations upon the request of other candidates or nominating organisations. Please read our website for further details, for example: http://www.aszhirportal.hu/en/news/summary-of-the-sao-s-communication-on-the-audit-of-campaign-funds http://www.aszhirportal.hu/en/news/the-audit-on-election-campaign-funds-is-going-on-an-interview-with-the-secretary-general-of-the-state-audit-office-of-hungary <u>3. Funding of groups of Members of Parliament.</u> The first and second are separate audits, the third is part of the yearly audit of the implementation of central budget.
Ireland	NO	Political parties are required to produce audited financial statements. However, these audits are conducted by private audit firms.

Italy	YES	
Lithuania	YES	The National Audit Office has a mandate to audit all the state budget appropriations. State budget appropriations are one of the sources of funding of political parties therefore we have a mandate to audit that part of funding of political parties. The Law on Political Parties (http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=489781) and namely its Article 24. Control of funding of political parties, Point 4. defines that “The National Audit Office of Lithuania shall, in accordance with the procedure laid down by laws and other legal acts, carry out the audit of the use of state budget appropriations allocated to political parties”. However we have not yet performed any audit in that area.
Luxembourg	YES	The SAI of Luxembourg has a mandate to carry out financial audits of the financing of political parties since 2007.
Malta	NO	
Netherlands	NO	Political parties receive subsidies from the Dutch government. The Netherlands Court of Audit has a mandate to audit subsidies, and therefore we are mandated to audit the subsidy documents that are related to the subsidies granted to political parties. Furthermore, we can ask the political parties’ accountant to answer questions we have about the annual report or auditor’s certificate of the political parties. We do not have a mandate to audit the financial administration of political parties themselves. Nevertheless, political parties need to have an accountant check their administration, and we are authorized by law to ask the accountant to cooperate in an audit we want to perform into the financing of political parties.
Poland	YES	NIK has a broad audit mandate, in particular we are authorized to audit the activity of any organisational units to the extent in which they use public property or resources (Article 2(3) of the Act on NIK of 23 December 1994 [full text see http://www.nik.gov.pl/plik/id,2759.pdf]. It can also concern the financing of political parties from the state budget. Under Article 28(1) of the Act on political parties of 27 June 1997, the political party which candidates for MPs in the election to the Sejm (first chamber of Polish Parliament) obtained Poland-wide and in total at least 3% of votes (or it was in the election coalition which candidates for MPs received Poland-wide in total at least 6% of votes), is entitled to receive subvention from the state budget for the statutory activity throughout the period of Sejm’s tenure. Under Article 29(1), the amount for that subvention is set proportionally to the total number of votes cast on the MPs of that party or election coalition. Authorized political parties need to submit a motion for granting the subvention. So far, NIK has audited those issues in terms of meeting by the Minister of Finance of obligation to pay – in the proportion established by the National Electoral Office – the subvention from the state budget for the authorized political parties.
Portugal	NO	This competence belongs to the Constitutional Court, which has a special Unit for that. In Portugal the financial control of political parties is performed by the Constitutional Court (Tribunal Constitucional). According to the Law of the Constitutional Court (Law no. 28/82, of 15 November, article 9 (on “Competence regarding political parties, coalitions and fronts”): “The Constitutional Court is responsible for: ... e) Assessing the regularity and the legality of the accounts of political parties, according to the law, and applying any corresponding sanctions.” You can access the Law of the Constitutional Court through the link (in English): (http://www.tribunalconstitucional.pt/tc/en/tclaw.html) Moreover, I inform you that the Portuguese Constitutional Court is technically assisted, for that purpose, by an independent body: the Entity for the Political Accounts and Funding. This body is governed by the Organic Law no. 2/2005, of January 10, which you can access through the link (in Portuguese, in this case): http://www.tribunalconstitucional.pt/tc/legislacao030403.html
Romania	YES	We do have the possibility to audit political parties but only for the subsidies received from the State budget.
Slovakia	NO	
Slovenia	YES	Since 2014 SAI Slovenia is, according to the Law on political parties, obliged to perform financial and regularity audit of all political parties

		<p>that receive more than 10.000 EUR from the state or local budgets. Each year at least a third of such parties must be audited, all in the period of 3 years. SAI Slovenia also has the authority to request supplements to the annual reports submitted by the political parties if non-compliance is established. In case a party fails to submit all required documents or data, SAI Slovenia can issue an order to stop the financing of the party until clearance is given.</p> <p>SAI Slovenia must also perform financial and regularity audit of any election or referendum campaign at the state level by auditing all organizers of the campaigns. These audits must be completed 6 months after the elections/referendum.</p>
Spain	YES	
Sweden*	NO	
United Kingdom	NO	<p>Political Parties in the UK are financed mainly through the following:</p> <ul style="list-style-type: none"> • Membership fees; • Donations; and • State funding for certain administrative costs. <p>The Comptroller and Auditor General (C&AG) does not audit the membership fees or donations made to political parties. Public bodies in the UK are not allowed to donate money to political parties.</p> <p><u>State Funding</u></p> <p>Political parties in the UK receive state funding in three ways:</p> <ul style="list-style-type: none"> • Short Money, paid by the House of Commons • Cranborne Money, paid by the House of Lords • Policy development grants paid by the Electoral Commission <p><u>Short Money</u></p> <p>Short Money is the name given to the annual payment to Opposition parties in the UK House of Commons to help them with their administrative costs. This public funding is to support them in the discharge of their parliamentary or representative functions. It is accounted for within the House of Commons Members Vote account which is audited by the C&AG by agreement (not under statute). A copy of the latest annual accounts is available at: http://www.parliament.uk/documents/commons-committees/Members-2013-14-Final.pdf</p> <p><u>Cranborne Money</u></p> <p>Cranborne Money is the name given to the annual payment to Opposition parties in the UK House of Lords to help them with their costs. The scheme was introduced in 1996 and is accounted for within the House of Lords Resource accounts which is audited by the C&AG by agreement (not under statute). – see 2013-14 accounts linked here: http://www.parliament.uk/documents/lords-finance-office/2013-14/House-of-Lords-resource-accounts-2013-2014.pdf</p> <p><u>Policy Development Grants</u></p> <p>The Electoral Commission pay Policy development grants. These are prescribed under the Political Parties, Elections and Referendums Act 2000. The grants are awarded to help parties in developing policies to include in manifestos for elections to the following:</p> <ul style="list-style-type: none"> • UK Parliament • European Parliament • Scottish Parliament • National Assembly for Wales

		<ul style="list-style-type: none">• Northern Ireland Assembly• local government <p>The C&AG audits the Electoral Commission's accounts under statute. The accounts of the Electoral Commission can be found at: http://www.electoralcommission.org.uk/__data/assets/pdf_file/0011/169778/2013-14-Annual-Report-and-Accounts-web-version.pdf <u>State Funding for certain political posts</u></p> <p>In addition, the State also pays the salaries of certain political positions. These are paid in accordance with legislation and are accounted for within the Consolidated Fund account – available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/345756/10459.Consolidated_Fund.for_web.pdf see Note 6 in particular. The C&AG audits the Consolidated Fund account under statute.</p>
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