

COMPARATIVE ANALYSIS OF POLITICAL PARTY FINANCING IN V4 COUNTRIES + ESTONIA

MAIN FINDINGS

- Even though there are variations in national legislations, all countries allow for mixed funding both from private and public funds. The public funds are usually bound to a certain threshold of votes gained in elections.
- There are issues with political party financing and with financing of election campaigns in all monitored countries. Most notably in Hungary and Poland, where it is a common practice to start campaigning before the official announcement of the elections. Funds used in these pre-campaigns are then not audited. The Czech Republic has no rules on election campaigns with the exception of presidential elections.
- The Czech Republic doesn't have sufficient regulations to prevent large gifts from a single undeclared private donor. Regulations in other countries have various degrees of contribution caps and the rules are more restrictive.
- The auditing and institutional oversight is also very weak in the Czech Republic, because the oversight is performed by the politicians themselves, and auditing is done by private auditors hired directly by the political parties. Other countries have better control mechanisms such as centralized oversight bodies or a controlled choice of auditors.
- The centralized oversight bodies however have various levels of independency. The Polish State Electoral Commission has to be noted as the most independent institution. However, there have been serious attempts aimed at undermining its position taken up by part of the Polish political scene after the last local elections in 2014.
- Given the independency of the State Electoral Commission, Poland is the only country where the parliamentary parties are severely sanctioned if they do not adhere to the law. Other countries have sanctions but they are rarely if ever used such as in the case of the Czech Republic or Hungary, or if they are used, then it's only against non-parliamentary parties such as in the case of Slovakia.
- Estonia has to be noted as the country with the most effective mechanisms for declaration of political parties' assets. The funding and assets have to be declared online, in machine-readable format and on a quarterly basis. Other countries have far less user-friendly and – often deliberately – less transparent systems.
- Guidance on political party financing is unsatisfactory in all countries. All countries should consider the creation of such guidelines and providing consultancy to the political parties and citizens as well.

LEGAL FRAMEWORK

The Czech political parties are governed by Act No. 424/1991 Coll. on Association in Political Parties and Movements. The law defines the requirements for founding political parties and other basic provisions of political party functioning, together with their funding and financial management. There is also a variety of laws on elections that contain rules on the technical aspect of election procedures as well as provisions on contributions paid by the state to cover election expenses. Political rights and freedoms are further guaranteed by the Czech Constitution. It is interesting to mention that none of the regulations mentioned above contain a definition of a political party or movement. Political parties and movements are in principal legal persons (associations).

A basic provision for political parties' establishment and operation is defined by the Hungarian Constitution. Detailed rules for the operation and financial management are then regulated by the cardinal act, i.e. Law XXXIII of 1989.

The financing of political parties and election campaigns in Poland is governed mainly by two pieces of legislation. Party financing is regulated under the Law on Political Parties of July 27, 1997, as amended significantly in 2001. Campaign financing is regulated in the Election Code adopted on January 5, 2011. The Election Code is a comprehensive law covering all types of elections and election campaign formats.

Slovakian political parties are regulated by Law No. 85/2005 Coll., Act No. 180/2014 on the Conditions of the Right to Vote and Act No. 181/2014 on Election Campaigns, which also amends Act No. 85/2005 Coll. Similarly to the laws of the other compared countries, it defines the establishment, operation, financial management and funding. The new legislation unifies the rules for all types of elections and election campaigns. Basic provisions of freedom of association are laid out by the Slovakian Constitution.

In Estonia, three bodies are allowed to campaign for elections: political parties, single candidates and election coalitions. Only parties and single candidates are then allowed to run for office in parliamentary (Riigikogu) elections. Local government elections allow the participation of the election coalitions, which are formed by Estonian or EU citizens entitled to vote in the local elections. The election coalitions are not legal persons. Laws regulating the party financing are the Estonian Political Parties Act, the Riigikogu Election Act and the Local Government Council Election Act.

POLITICAL PARTY FUNDING

The Czech legislation on political parties allows a system of mixed funding, i.e. from public and private sources. The public funding is in the form of direct state financial support such as the *contribution to activities*, which includes fixed and per mandate contributions if the parties and movements receive over a 3 % threshold of votes in the Chamber of Deputies elections. There is also a contribution to election expenses, which is paid to parties and movements that reach a 1.5 % threshold in the same elections. There is also indirect state financial support in the form of free broadcasting time on radio and TV and space for election posters in municipalities for the duration of an election campaign provided for the Chamber of Deputies, the European Parliament or the office of the President. Time and space are allocated to all participants in equal measure.

In recent years, the share of public resources in the funding of political parties and movements in the Czech Republic was between 45–80 % as stated by an official analysis of the Czech ministry of the interior¹.

Private resources include membership fees, which are often conflated with gifts from party members, since the law does not define membership fees as such. Furthermore there are donations and inheritance. The Czech

¹ <http://www.mvcr.cz/clanek/transparentni-financovani-politicky-stran-jake-zmeny-jsou-potreba.aspx> [quoted on 2015-02-18]

analysis mentions the fact that donors must be identified if they donate more than CZK 50 000 (ca. EUR 1,820), which often leads to the division of gifts, which are then reportedly provided by different persons even though the source of the funding is the same, yet this is often opaque. Non-financial gifts are not regulated. There are also other types of income such as leasing and sales of movable and immovable property, business activities of other legal entities, loans and credit, etc. Generally speaking the rules on the private funding of political parties in the Czech Republic are vague and often lack key definitions of certain types of funding.

Czech law does not impose any limits on an election campaign or a duty to have an election account for use during elections. Political parties and movements have no duties beyond the scope of the general Accounting Act. Parties are not required to have separate accounts for their activities and for election campaigns. There are a different set of regulations that applies for presidential elections, where clear regulations on transparent election accounts and limits for funding are set.

Hungarian political parties may get revenues from both public and private funding. Public funding includes a quarterly allowance from the state budget allocated to the political parties receiving more than one per cent of the votes in the general elections mainly on the basis of the votes they received. It further includes a monthly allowance from the budget of the Office of the National Assembly for the purpose of the operation of the parliamentary group of the political party, which, in addition to a base amount, reflects the size of the parliamentary group. Indirect public funding is similar to the Czech Republic, i.e. all political parties get free air time on public broadcasting. Private financing includes membership fees, contributions from enterprises and other legal persons, contributions from natural persons, income from business activities, and other sources such as bank loans.

Campaign financing in Hungary is cited as very problematic. Political parties were not allowed to spend more than HUF 1 million (ca. EUR 3,260) per candidate with a cap set to HUF 400 million (ca. EUR 1.3 million) in case the party nominates the maximum amount of candidates. In 2014 the limits were increased to HUF 5 million (ca. EUR 16 300) and HUF 600 million (ca. EUR 1.95 million) The analysis mentions that even though political parties report that they keep their election spending within the legal limits, no one believes them. The issue is that the political parties are not obliged to keep record on election promotion spending paid for between the date when the elections are announced (at least 72 days prior to the election) and the date when the candidates are nominated (typically 20-25 days in advance prior to the election). Even though it is clear that the parties spend money on election promotion, there is no legal obligation to keep record on the spending that has happened before the nomination of the candidates.

Polish parties get revenues in a fashion similar to the Czech Republic – i.e. a combination of public and private funding. However, the former source of funding is definitely dominate – as public money constitutes more than 80% of Polish political parties' revenue. Public funding is also in the form of contributions to parties that get over a 3% threshold of votes and in form of contributions to a party's election campaign expenses in case the party introduces at least one deputy or senator to the Polish or European parliament. An important source of the private funding is donations. Donations are thoroughly regulated and only natural persons who are Polish nationals and have permanent residence in Poland can provide monetary donations. The law furthermore sets caps on the annual contribution from one person (PLN 25 200 ca. EUR 6,000 in 2014). Political parties may only accumulate funds in bank accounts with the exception of the membership fees, which can be stored in cash if the single contribution does not exceed EUR 375. Apart from the abovementioned sources, parties may hold assets that come from inheritances, legacies and property income, interests, trading in Treasury bonds, etc. Political parties in Poland are allowed to take out loans, but there are limitations in order to reduce the risk of irregularities relating to loan collateral. A loan can thus only be provided by private individuals. However, in fact a private person can easily unofficially take over the warranty of the loan taken i.e. for campaign purposes or to pay the loan off after the elections, as there is no mechanism for verifying that in the law. Similar to other countries, Polish political parties are not allowed to directly engage in business activities.

Slovakian political party funding is again very similar to the Czech and Polish one. Public funding is in the form of contributions for received votes (3 % threshold of votes). Parties who have a right to this contribution then get a contribution for operations and a contribution for secured mandates. Act No. 181/2014 Coll. imposes limits on political campaigns' expenses in order to provide the same conditions for all candidates or political parties. Expenses of political parties or candidates from 180 days prior to the announcement day of elections are to be included into the funds of the election campaign. A political party will not be allowed to spend more than EUR 3 million on an election campaign for parliamentary elections and elections to the European Parliament. A presidential candidate will not be allowed to spend more than EUR 500 000 on a campaign during both election rounds combined (in present time it is EUR 132 775).

The sources of private funding are similar to other countries, though it is interesting to mention that Slovakian political parties are obliged to publish their donors annually on the party's website. Parties or candidates are also obliged to establish a separate transparent account for each election. Information on the transparent account should be actively published and available for the public. They must also maintain accounting on their election campaign expenses and present an interim report on election financing. This has to be presented at least 21 days before Election Day. The final report on election financing then has to be presented no longer than 30 days after Election Day. Furthermore, all political parties are obliged to publish an annual report on their financing including the election campaign according to Laws 85/2005 and 181/2014. The new legislation imposes stricter rules and evidence for private funding (gifts as well as non-financial support) and broadens the sanctions for their breach.

In Estonia, even though single candidates and election coalitions can run in various elections, they are not eligible for direct public funding. The public funding in Estonia is thus only available to political parties. There has recently been an amendment to the law that should promote more equality to parties that have fulfilled the threshold (at least 2 % but less than 5 %) for contribution, but not the threshold for parliament. The amount of the contribution is now more progressive.

Private funding includes membership fees, transactions with party property, and loans. Donations to political parties are regulated, and it is illegal to receive anonymous donations and donations from legal persons. It is also not allowed to provide parties with free and/or unreasonably discounted services, goods, or legal rights if those would not be free under normal circumstances. There are no limits for donations in Estonia from natural persons. Furthermore, there is also no limit on the amount of money parties can receive from donations in total or for elections. There was even no limit on cash donations before the amendment to the law in April 2014. Nowadays the limit of cash donations is EUR 1,200 per donor per year, which is still considerably higher when compared to other states. All donations made in cash are to be immediately registered.

INSTITUTIONAL OVERSIGHT, MONITORING AND AUDITING

By law Czech political parties and movements have an obligation to submit an annual financial report every year by 1 April to the Chamber of Deputies. Besides annual accounting statements, an auditor's report, and overview of the total income, the party has to present an overview of gifts and donors, together with members whose total annual membership fees exceeded CZK 50 000 (ca. EUR 1,820). The Controlling Committee of the Chamber of Deputies checks errors or inconsistencies in such annual reports. The committee consists of 15 MPs, a secretary and two assistants, and it is supposed to inform the corresponding tax office of any violations of the provision on receiving gifts. No such case has yet been recorded according to the GRECO reports and findings from the Central Financial office. The committee should also act on information from the public or the media that points out errors in the submitted data, but this is also yet to happen. The control power of the committee is therefore questionable and likely only formal. The annual financial report is then submitted to the Ministry of Finance. It is important to mention that separate statements for election campaigns and other party expen-

ses are not required. There are also issues with the auditor's statement in the annual report, as it is the political parties or movements who select their own private auditor (i.e. there is no external control). There are also no rules regarding auditors' conduct. This means that it is private auditors and not the Controlling Committee who have access to the financial records of the political party or movement. Tax authorities and police get involved when carrying out tax inspections or when a crime is suspected. According to GRECO, no political party was subject to a tax inspection in the last five years. Mandatory audits only apply to accounting statements and have turned out to be an inadequate control mechanism as they are not performed in detail and do not verify factual accuracy.

It is thus the media and the non-profit sector that mostly carry out control of the financial management of political parties and movements. The analysis concludes that institutional oversight is not fulfilling its role and even though the government's anti-corruption strategy recognizes the financial control of political parties and movements as problematic, very little has been done so far to overcome the current unfavourable state of affairs.

Private auditors do not carry out an external audit of political parties in Hungary, as it is the case in the Czech Republic. The State Audit Office (SAO) performs auditing of political parties finances instead. The SAO's responsibility is to check that political parties' annual financial reports are in order and that the political parties have adhered to laws regarding bookkeeping and financial management. In its reports, the SAO criticizes that the laws regarding political party financial management do not provide clear guidance, and the political parties thus handle the annual reports according to their internal accounting policies, which prevents effective comparison and overview. The SAO regularly points out numerous irregularities in the financial management. These irregularities might be serious but they cannot really be properly sanctioned, as the instruments of the SAO are limited. The SAO for example cannot launch an investigation of excessive campaign expenditures based on assumptions, news or rumours. The SAO can only audit the documents submitted by the political entities. Since there are no real incentives for the political parties to declare their campaign expenditures, it is not surprising that with the limited amount of data the SAO usually concludes that all political entities remain within the allowed legal limit. There have however been changes in the legislature regarding campaign finance in 2014 which sets more realistic caps on expenditures per candidate. However, many of the critical issues such as the limited authority of the SAO remain unchanged.

An independent State Electoral Commission (SEC) regulates the Polish political party financing. This control body is established under the Election Code and consists of three Constitutional Court judges, three Supreme Court judges and three Supreme Administrative Court judges. The President of the Republic appoints all these judges. In addition to the SEC, the Election Code sets up the National Election Office – an auxiliary institution providing administrative support.

The SEC generally enjoys a good reputation and has been recognized as an independent institution, albeit with limited human resources concerning the level of responsibility. However, this positive recognition has been undermined after the last local elections in 2014 due to some mistakes in the SEC operation and serious attempts at aiming to undermine its position taken up by part of the Polish political scene. Political parties submit their financial statements to the National Electoral Commission by 31 March of each year. Such statements shall be submitted with an attached auditor's opinion and report. The auditor is selected by the SEC. The costs of the auditor's opinion and report are covered by the National Election Office. The SEC then publishes the statements in the Official Journal of Poland. The parties' financial statements can either be accepted without reservations, the SEC might point out irregularities or reject the statement altogether. If the SEC rejects the party's report and the Supreme Court upholds its decision, the political party in question might lose state subsidies for up to 3 years. The Polish analysis concludes that the political parties generally comply with these laws and regulations. Although there are some significant examples of cases where parties in Poland have lost, or were in serious danger of losing, their public subsidies due to the court's judgments.

The Slovakian system lacks a centralized oversight body and the institutional oversight is thus split among four institutions. Similar to the Czech state of affairs the Slovakian parliament has a Controlling Committee, which is responsible for monitoring parties' annual reports and accounting. Conflict of interest stemming from the fact that the politicians are supposed to control their own financial reports is unfortunately apparent. Act No. 180/ 2014 establishes an independent oversight body, the State Commission for the Elections and Control of Political Party Funding, and the Office of State Commission at the Ministry of the Interior. The State Commission should overview elections, the electoral campaigns, and financing of political parties². The auditing of political parties however is external, and the auditors of the Slovak Chamber of Auditors are drawn from a ballot (i.e. the political parties cannot influence who will be their auditor). Act No. 181/2014 also introduces a deposit of audit, which should solve the problem of political parties being unable to pay the costs of the audit, and strengthening the independence of the auditors. Furthermore, the Financial Control Administration deals with misconduct of public funds by the political parties either in case of suspicion or when asked by the Ministry of Finance. The Supreme Audit Office then controls whether the Ministry of Finance provides contributions to the political parties according to the law.

Similarly to Poland, one oversight body oversees the financing of political parties and election campaigns in Estonia. The Supervisory Committee on Party Financing (the Committee) is financed from the state budget. The Committee consists of 7 members, 3 of whom are from the Chancellor of Justice, National Audit Office, and Electoral Management Body. The other 4 members are MPs (one member per party, the number can change depending on the number of the parties in parliament). The Estonian analysis does however question the complete independence of the Committee, since the majority of the members consist of representatives of the ruling parties. The Committee requires a majority vote to pass resolutions, and therefore it is questionable whether the obligation to conduct a thorough oversight is always respected. Another Committee-related issue is its rather low administrative capacity. The Committee has limited personnel (one adviser and one consultant) and therefore can't always scrutinize the reports thoroughly or conduct background checks on the validity of information presented to them. The analysis further points out the fact that there is no control over the origin of the money used in donations. The Committee also does not control if the donation is in accordance with the income of the donor.

However, from April 2014 the political parties are obliged to regularly report the donations and to make the information available online, which provides opportunities for public oversight. Estonian parties are further obliged to thoroughly report their expenses online through the Committee, including the election campaign expenditures. This further strengthens both institutional and public oversight and control.

SANCTIONS

If the Czech control mechanisms deem the financial reports unsatisfactory, it is possible to suspend the activities of a political party or movement and subsequently disband it completely. It is also possible to suspend the payment of state contributions, or to fine the political party if it fails to return gifts or donations that violate the law. Parties and movements may also be fined if they violate the Accounting Act. However, there is no publicly available record on these fines ever being imposed, and therefore there is reason to believe that no political party or movement has ever been sanctioned by the tax authorities or because of their violations of provisions on accounting related to the funding of political parties or election campaigns. Czech sanctions and institutional oversight therefore do not fulfil their roles in an ideal manner. The control over political party financing in the Czech Republic is therefore unsatisfactory.

The Hungarian sanctions are similar to the Czech ones; they are mild and rarely, if ever, used. Sanctions can theoretically be imposed or initiated in cases of criminal offence or when the political party accepts donations from unauthorized sources. The party then, upon the notification of the SAO, has to pay the amount of the unauthorized contribution into the state budget in 15 days. The same amount is then deduced from the

² Transparency International Slovakia will closely observe the establishment and the work of the State Commission.

political party's state contribution. According to the law, the SAO has the right to initiate proceedings in court if the political party does not comply. However, the law does not specify what the SAO could request, nor the authorities of the court with regard to the potential decision (i.e. obliging the political party to act in accordance with the petition/notification, annulment of unlawful internal rules, imposing fine, etc.).

In Poland it is the SEC that is responsible for sanctioning political parties if they fail to report their annual financial reports in time in their entirety or if the party breaks the law on private funding. Depending on the severity of the misconduct, the political party in question may lose its right to receive subsidies for the period of up to 3 years or even face deregistration. Those are very severe sanctions, and they have already been utilized as demonstrated in the case of the Polish Peasant Party, which has lost its rights to subsidies and the Palikot's Support Movement, which was deregistered in 2011. Currently the social democratic party is also in danger of losing its public subsidies.

In Slovakia it is the Ministry of Finance that may impose a fine up to EUR 3,319 according to the Act No. 85/2005 if the political party fails to provide the ministry an interim or final report on election campaign funding, the parliament with an annual report on political party financing (PPF), or does not eliminate deficiencies in the annual report within a given period. Act No. 181/2014 establishes new administration sanctions. If a political party will fail to submit annual accounts (annual report) on time, a fine of EUR 3,500 will be imposed. More important amendments have been adopted in respect of election campaigns. For example, a political party that continues campaigning beyond the timeframe stipulated in the law may be subject to a fine of between EUR 30 000 and EUR 300 000 and may risk a fine of between EUR 10 000 and EUR 100 000 if it exceeds the permissible amount for campaign spending in national elections. The Slovakian analysis however mentions the fact that Slovak legislation does not provide criminal liability of legal persons. Political parties can therefore not be held criminally liable for offenses committed in the context of party funding. The deterrence effect of such sanction is therefore insufficient. According to the analysis, thirty-four non-parliamentary parties and political movements were fined in 2007, but there were no other sanctions than those for failure to submit reports.

The Estonian sanctions are contained in the Political Parties Act, and it is the Supervisory Committee that can make precepts if a political party has not abided by the law. The committee can thus sanction the parties if they fail to submit campaign reports, document donations, and/or return prohibited donations. There are a variety of fines that can be issued, depending on the severity of the misconduct. The Estonian analysis points out that from April 2014 a person who has made an illegal donation may be exempted from sanctions if the donor notifies the committee of such action within 30 days in writing. Similar procedure has been used to minimize misconduct in other fields, and the Estonian analysis considers it a positive development with possible preventive effects.

GUIDANCE

In the Czech Republic, there is no body or institution providing education or methodological guidance in the field of political party funding, election campaigns, or citizenship education in general. Legislative obligations, the purpose of which should be to support the transparency of the financial management of political parties as well as the responsibility of public officials, are very vague, and their application fully relies on interpretation by the members of the political parties themselves. There are insufficient levels of consultancy or methodologies of political party funding and election campaigns. This lack of knowledge leads to often-dubious interpretations of the election law as illustrated by the latest presidential election.

The Hungarian analysis mentions guidelines on the obligations of the law on electoral procedures issued by the SAO during the 1998 election that are used to this day. However the SAO itself has repeatedly stressed that the applicable election laws do not give clear guidance for the political parties, and that this leads

to inconsistencies in financial reporting. The guidance of elected representatives thus exists, but it is not sufficient.

The Polish National Electoral Commission has an obligation for leading educational activities according to the Electoral Code. But these activities concern more or less the organizational part of the elections (they inform citizens how, when, and where they can vote, which includes also the preparation of the educational materials for citizens – however the quality is debated) and provide support for the election committees, e.g. information on how to organise the electoral campaign from a formal perspective or explaining particular issues that are currently being discussed during the election campaign (i.e. how the website should be set up by the electoral committees, and what parts it shall include). The educational activities do not cover direct guidance for candidates, but their special electoral committees are handed materials about the legal obligations after the registration by the Electoral Commission or local electoral commissionaire.

In Slovakia, The parliamentary Committee for Finance, Budget and Currency published, on its own initiative, guidelines for the submission of annual reports on political party financing. The newly established State Commission for the Elections and Control of Political Party Funding should provide political parties and candidates with methodological assistance and advice on the rules for the financing of political parties and election campaign financing. Until now, there were no guidelines for the submission of election campaign funding. However, these guidelines have not led to the unification of report formatting, which makes it harder to compare political party financing (PPF) of individual parties. There are no trainings or methodological seminars on PPF provided by public authority.

The Estonian guidelines are not yet completely developed. Albeit technical guidelines for compiling and presenting the electoral report exist, there are still some missing. There are also new rules from April 1, 2014, which have not yet taken full effect. According to these rules the Committee's responsibility is to give guidance to political parties which have faced serious financial difficulties for 3 years. The Estonian analysis however pointed out that these advisory responsibilities should be appointed to an auditor instead. Finally, the Committee has a goal of organizing prevention and educational work. The Committee's correspondence (including memos) and the Committee's decisions on different party financing cases are found on the website and have important informational value.

TRANSPARENCY AND PUBLIC INVOLVEMENT

The availability and transparency of Czech PPF documents is limited. Even though the annual financial reports are public by law, they are only accessible in person at the Parliament Library. Because the financial reports are only available on paper and there is only one copy of each, processing data for further verification is complicated. The scope is thus severely limited. There is a project called politickefinance.cz, which processes all public data at least once a year. Basically, the data from annual reports are rewritten and published online. The limitation is that the data only include the initials of donors and not their full names. Even though it is a valiant effort, it is still not enough as it is not possible to monitor and verify data during elections. As time passes, any verification becomes increasingly difficult to confirm or refute suspicions of hidden financing of election campaigns. However, there are some political parties that deliberately publish information on their financial management in a larger scope than required by the limited legislation.

The election campaign financing is the most critical point of the whole issue of PPF in Hungary. The system is not working, and it is a public secret that political parties spend more than they are officially allowed to and don't declare all assets spent during the campaigns. Even though the SAO performs audits of campaign financing, these happen after the election, thus losing its effectiveness. One of the issues that seriously undermine the transparency of the campaign funding in Hungary is the expenditures under the title "other contributions." Third parties in favour of a certain candidate pay these. They don't constitute part of the cam-

paigned expenditures and the third parties are not obliged to disclose their spending.

Poland has arguably the most independent oversight of all analysed countries, and as such it should have a transparent system of PPF and election campaign funds. Unfortunately the Polish analysis summarized a variety of activities which are not transparent. Campaigns are for example often conducted by unauthorized entities. This applies to preliminary campaigns (similarly to Hungary – before the formal announcement of the election campaign). The law does not effectively regulate the preliminary campaigns and any entity can engage in the promotion of a still not formally proposed candidate before the announcement of the election campaign. The SEC cannot inspect such actions and impose penalties, which is a situation very similar to the Hungarian SAO.

There is also a lack of transparency during the campaigns, where it is difficult to identify hidden campaign financing by unauthorized entities. The analysis identifies the scope of the SEC's control mechanisms as the source of the problems. The Commission is limited primarily to auditing documents that are provided to it three months after the end of the campaign. The SEC is therefore unable to effectively compare the reality of the campaign with the image emerging from the financial statements. Public overview is also very limited. It is difficult for citizens to get detailed information on how political parties are spending public money, and there are not really any mechanisms to support the development of non-governmental organizations that would engage in election campaign financing. This, combined with the fact that the SEC focuses primarily on accounting controls and not on substantive assessments, establishes a situation that is not satisfactory. In addition, the activities of the law enforcement authorities (police and prosecutor's office) are not sufficient. Even though the law imposes on them an obligation to deal with the cases related to violation of the electoral law, they are reluctant to deal with such cases (ca. 80% of the already initiated proceedings are being suspended without a clear solution). One of the reasons for such behaviour of these bodies is the fact they are afraid of being accused of interfering with the political process.

Slovakian political parties pursuant to Act No. 85/2005, and Act No. 181/2014 must publish reports both about their donors and their election expenditures. Both types of reports must be accessible through the parliaments' website and in hard copy. Furthermore, the parties or candidates are also obliged to establish separate transparent payment account for each election. Information on the special account is to be continuously accessible to the public and must show an overview of payment transactions, including data concerning the amounts, posting date, name of the payer, and other information (payment transactions overview). The political party is required to notify the Ministry of the Interior with the website address on which these data are to be displayed. The Slovakian analysis has checked the documents and albeit some are not in machine-readable format, they are accessible even after the legal period passes. In addition, NGOs have missed proper mechanisms for the announcement of breaches. It has been possible to file a motion to the Financial Control Administration, Ministry of Finance, or any oversight body, but it is often unclear how exactly and where to file the motion. While the new legislation imposes more detailed rules for reporting, the Slovak analysis concludes that the financial control in Slovakia has been usually formalistic, and it did not consider the poor quality of the documents provided. The State Commission represents a single institution that can have a special capacity to monitor financial flows in politics. However, the Slovakian State Commission faces the same issue as the Czech one. The majority of the State Commission's members are MPs, who in principle are to control their own annual reports. Once again, there is a risk for potential conflict of interest.

Political parties in Estonia are obliged to publish their financial reports quarterly rather than annually, and they have to do so online on the website of the Committee. Anyone can view these reports and there are no limitations of access, which is a substantially better than in the rest of the analysed countries. Public oversight is taken into account, since anyone can notify the police, media, and even the oversight body, which has the right to demand more documentation from the political party in question. Despite the fact that donation and campaign reports have to be publicly available, there are still many issues in Estonia, e.g. circumventing the ban on donations from legal persons.

