

Bosnia and Herzegovina: Case Study on using new technologies to enhance reporting, communication and advisory support for political parties

CASE STUDY SUBMITTED BY THE CENTRAL ELECTION COMMISSION (CEC) – BOSNIA AND HERZEGOVINA, 2021

Legislative framework:

- Law on Political Party Financing (Official Gazette of BiH, No. 95/12 and 41/16)
- Rulebook on Annual Financial Reports of Political Parties (Official Gazette of BiH, No. 96/13 and 89/16)
- Rulebook on Pre-Election and Post-Election Financial Reports of Political Parties (Official Gazette of BiH, no. 10/18)

Introduction

The Central Election Commission (CEC) of Bosnia and Herzegovina controls and audits the financing of political parties in Bosnia and Herzegovina. Political parties submitted financial reports (annual and post-election) to the CEC in hard copy until 2016, which made it difficult to control and audit financial reports and make reports available to the public, as required by the Law on Political Party Financing. The CEC decided to improve the reporting system by developing an online reporting portal enabling political parties to submit their financial reports electronically.

What did we do?

In parallel to the design and development of the online reporting system, we explored how the system could be used to increase communication with and support for political parties. To this end, a special e-mail address was created through which political parties could submit their requests for access to the application, and which was also used to provide support to political parties in preparing and submitting the financial reports. Guidance containing information on the procedure for granting access and logging in to the application and the manner of using the mentioned e-mail address to support political parties was published on the CEC's website. Together with this guidance, the Instruction for submission of financial reports in an electronic form was published.

Why did we do it?

We wanted to improve financial reporting by enabling political parties to submit financial reports within the legally prescribed deadlines and in the correct manner. We also wanted to shorten the deadlines for publishing financial reports of political parties on the CEC's website, with a view to ensuring that the public has timely access to data from financial reports, i.e. sources of political party financing, party routine activity costs and election campaign costs.

What did we review?

We reviewed the legislative framework: the Law on Political Party Financing, the Rulebook on Annual Financial Reports of Political Parties and the Rulebook on Pre-Election and Post-Election Financial Reports of Political Entities, the implementation of which is the responsibility of the CEC. We also reviewed the GRECO Evaluation Report from the third round of evaluation of Bosnia and Herzegovina

in the area of transparency of political party funding and OSCE/ODIHR recommendations from the 2014 Local Elections Report and the 2018 General Elections Report in Bosnia and Herzegovina.

We analysed the problems faced by political parties during the preparation of financial reports and their submission to the CEC and looked into communication challenges/ difficulties the CEC had with political parties and persons authorized to prepare and submit financial reports. The lack of communication was identified as significantly hindering and slowing down the control of financial reports by the CEC's Service for Audit of Political Party (Audit Service).

For instance, until the establishment of the online reporting system, the CEC was communicating with political parties regarding their annual reporting requirements by sending notifications by mail. In practice, it was shown that a number of political parties did not receive the letter at their registered addresses, and therefore were not reminded of the obligation to submit financial reports. In addition to the above, some political parties that submitted financial reports, and for which the Audit Service identified deficiencies, could not be notified about problems in their financial reports and address them, as prescribed by the Law on Political Party Financing.

Who and what was involved?

The analysis of the situation was performed by the Audit Service with a small team of IT experts. The suggestions of political parties were also taken into account.

At the training sessions conducted by the CEC for political party representatives, i.e. the persons authorized to submit financial reports, political parties presented their problems related to the manner of compiling and submitting financial reports. The CEC pointed out the possibility to enhance the efficiency of the reporting system through the development of an online reporting system accompanied by guidance and support for political parties to navigate the IT application.

After IT experts confirmed the feasibility of this project, the CEC, which is responsible for determining the content, form, manner and other details of reporting, developed an electronic application under expedited procedures. The functionality of the application was tested by the Audit Service in cooperation with a number of political parties, selected by the CEC.

The CEC's Department for Information and Communication Technologies (ICT Department) created a special e-mail address to enable constant communication with political parties.

The Audit Service, in cooperation with the ICT Department, created a mailing list of political parties that are required to submit annual financial reports. The list, containing political parties' email addresses, is regularly updated and e-mail addresses of new political parties, whose number increases before the elections, are added.

The Audit Service uses the mailing list to send to political parties notifications and invitations to training sessions delivered by the CEC, as well as information related to financial reporting requirements.

Also, for the purpose of sending notifications to political parties that participated in the 2020 local elections, we established a special list with e-mail addresses, since not all political parties participate in the elections.

What did the project achieve?

We have facilitated the preparation and submission of financial statements, shortened the deadlines for public disclosure of financial statements, thus increasing the transparency of financing of political

parties, and improved the process of control of political parties' financial statements, conducted by the Audit Office.

We also have noticed that communication with political party representatives via the dedicated e-mail address has produced positive results. This is reflected in the fact that an increasing number of political parties submit their financial reports in a timely and proper manner. For example, in 2020, the percentage of political parties that submitted their financial reports to the CEC increased by 21.67%.

Also, this type of communication came to the fore especially during the Covid-19 crisis. Political parties were able to send their questions or problems encountered in filling out financial report forms to a specially created e-mail address through which support is provided. The ICT department administrator and two employees of the Audit Service have access to this e-mail address, which ensures that representatives of political parties can receive timely responses, i.e. assistance in filling out financial reports.

We emphasize that during the Covid-19 crisis we provided timely information to the political parties about the obligation to submit financial reports, both annual and post-election financial reports after the 2020 Local Elections. We sent information on the deadlines for submitting financial reports, user manuals and links for access to information that is useful to political parties.

What did we learn from it?

The project was successfully implemented thanks to an organized and concerted approach, which was based on analysing existing and potential issues: problems encountered by political parties in preparing and submitting financial reports, communication difficulties between political parties and the CEC, the control and audit of financial reports of political parties, and the feasibility of the project in terms of information and communication technology.

We faced resistance from some of the political parties which preferred manual compilation and submission of financial reports. When we explored their resistance to e-filing, we discovered that many were afraid of new information technologies. We quickly and quite easily "broke" down their resistance by teaching them to use a new type of communication and modern technology.

This form of communication with political parties through e-mail support, e-mailing lists and electronic application for submitting financial reports has given satisfactory results, but we believe that further efforts are needed to additionally improve this project.