



ΕΛΕΓΚΤΙΚΗ
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AUDIT OF CANDIDATES' ELECTORAL EXPENSES REPORTS FOR THE ELECTION OF EUROPEAN PARLIAMENT MEMBERS HELD ON 26.5.2019



**AUDIT OFFICE OF THE REPUBLIC
SPECIAL REPORT no. ΠΚ/03/2021**

21 September 2021

AUDIT OF CANDIDATES' ELECTORAL EXPENSES REPORTS FOR THE ELECTION OF EUROPEAN PARLIAMENT MEMBERS HELD ON 26.5.2019

AUDITED ENTITIES/AUDITEE

Ministry of Interior

Candidate Members of the European Parliament (MEP)

Entities offering advertising services to the candidate MEP

1. Executive Summary

The European Parliament elections are carried out and regulated according to the provisions of the Law concerning the election of the Members of the European Parliament of 2004 (10(I)/2004), in combination with the provisions of the Law on the Election of the Members of the House of Representatives of 1979 (L.72/1979, as have been amended or replaced) and the Consolidated proposal of the Act on Election of MEP with direct universal suffrage, as annexed, to the Council Decision dated 20 September 1976 and its subsequent amendments.

The candidates for the election of MEP are obliged, according to the applicable legislation, to submit to the General of Elections Commissioner (Commissioner) their electoral expenses reports, for their pre-election campaign. The Auditor-General of the Republic, having audited the submitted reports, issues a relevant report that is published in the Government Gazette and once he finds that the allowed electoral expenditure limit has been exceeded by any candidate, he sends a report to the Commissioner, who imposes penalty equal to the amount of excess.

Our audit was based on the applicable legislation and the relevant legal advice obtained from the Law Office of the Republic. The same audit approach was followed for all the candidates.

Scope of the audit:



Audit of the publication and submission of the candidates' electoral expenses reports

Whether the candidates' election expenses report were published and submitted on time accompanied by an affidavit.



Audit of the expenditure of paragraph 5 of the candidates' electoral expenses report

Whether all the expenditure for advertising purposes is included in paragraph 5 of the report and, whether it complies with the provisions of the effective legislation, regarding the pre-election campaign of the Candidates, and that it has been actually carried out within the election period.



Electoral expenses limit

Whether the expenses included in paragraph 5 of the election expenses report do not contribute in exceeding the allowed limit for election expenditure (€45.000 + €5.000 personal expenses).

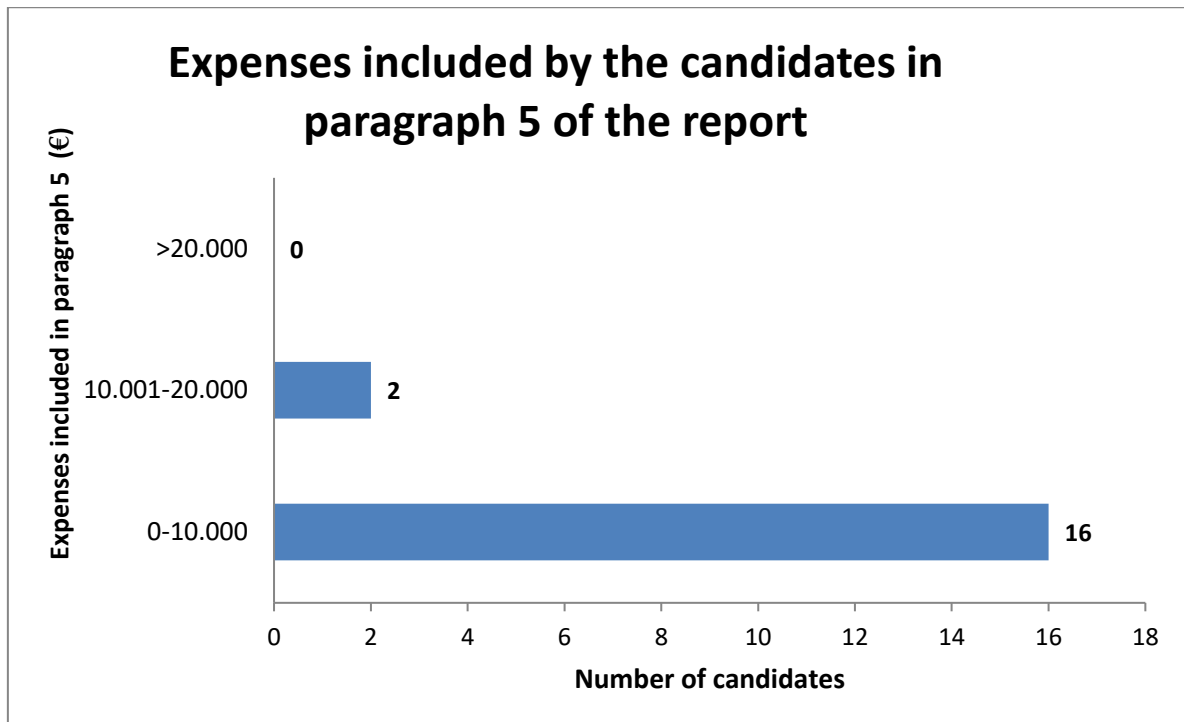


Audit of aggregated statements of the entities that offered advertising services

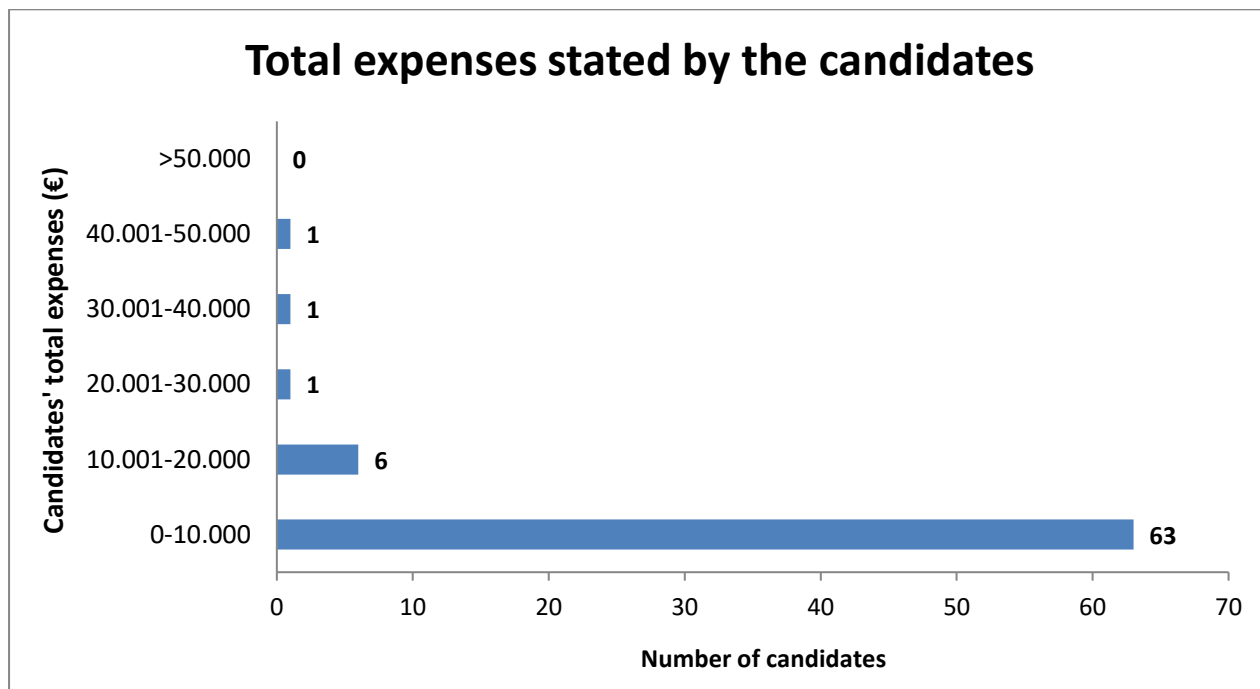
Whether all the entities that offered advertising services to the candidates sent their relevant reports to the Audit Office within one month from the elections date.

1.1 The most significant findings of the audit

- ◆ All 72 candidates that participated in the elections of the European Parliament of 2019, submitted their electoral expenses report accompanied by an affidavit and published it within the specified by the legislation time limits.
- ◆ Out of 72 candidates that participated in the elections, 18 candidates included advertising expenses in paragraph 5 of the election expenses report.



- ◆ As a result of the audit, we carried out on the supporting evidence submitted by the candidates along with the electoral expenses reports, we found out that there were cases, where candidates posted expenses relating to printing and advertising in webpages and social media, under paragraph 5, which does not seem to be permitted under the current legal requirements. The total candidates' expenses, as presented in the electoral expenses' reports submitted in our Office, do not exceed the maximum limit specified in the legislation:



- ◆ From the review of the non-audited summary statements, sent by the entities offering advertising services to the candidates during their pre-election campaign, we found that six (6) candidates did not report expenses that they carried out through seven (7) advertising entities, in the total amount of €4.504.

Four of the above candidates, sent a letter to the Commissioner, stating that the said expenses were carried out by third parties without their knowledge.

Regarding the abovementioned we note that according to the provisions of article 45 of the Law on the Election of the Members of the House of Representatives, the payment of expenses for a candidate's pre-election campaign by third parties is illegal.

- ◆ From the review of the supporting documents that the candidates submitted with their electoral expenses' reports, one candidate was found to have received free advertising services in the amount of €28.670 by an advertising entity, which were included in the report's part regarding the receipts, as well as the supporting documents, but they were not included in the report's part regarding the expenses. The candidate, in a letter to the Commissioner mentioned that the attachment of the receipt on the report he submitted for the above services, indicates the treatment of the said services as an expense as well.

None of the above candidates exceeded the maximum limit of electoral expenses specified by the legislation after the inclusion of the above advertising expenses.

- ◆ Nothing has been found supporting that the expenditure for advertising purposes, which is included in paragraph 5 of the reports,
 - does not comply with the provisions of the relevant legislation,
 - does not relate to the candidates' pre-election campaign,

- has not actually been carried out by the candidates, except from:
 - expenses in the amount of €4.980 presented in the electoral expenses report of a candidate, where the relevant invoice attached as evidence has not been issued to her name,
- has not been carried out within the pre-election period, except from:
 - expenses in the amount of €4.980 presented in the electoral expenses report of a candidate, for which the invoice attached as evidence has not been issued within the period provided by the Law,
 - pre-election expenses in the amount of €957 paid by a candidate outside the deadline set by the Law.
- ◆ Regarding the entities that provided advertising services for candidates we found that:

14 entities have submitted summary statement

12 entities have not submitted summary statement

3 entities have submitted summary statement after the deadline

1.2 General conclusions and recommendations

- ◆ While reviewing the candidates' electoral expenses reports, we noted various weaknesses and omissions, as regards appropriate and uniform completion by all the candidates.
- ◆ Significant weaknesses have been found in the legislative framework limiting the aimed purpose of the law, such as the possibility that payments are being illegally made on behalf of the candidates by third parties and/or political parties, without the candidates being obliged to report them, according to the legal advice of the Attorney General.
- ◆ The absence of provision in the existing legislation for obligatory submission of the relevant supporting documents by the candidates along with the electoral expenses report, limited our audit to what the candidates stated and the aggregated statements submitted by entities that provided advertising services.

We recommend:

- ◆ **The Commissioner to forward, as soon as possible, to the House of Representatives a bill which will aim at revising and modernizing all the relevant legislation, to make it clear ensuring its effective implementation. Regarding the reference in the legislation to paragraph 5 of the electoral expenses report, this must be amended, in order to include the handling of the advertising expenses made in electronic media and social media, so that these can be audited.**
- ◆ **Through an amendment of the legislation, it should be established that:**
 - **The candidates' electoral expenses reports must be accompanied by the appropriate evidence and that contact details for the candidate or the election representative are also included.**
 - **The entities offering advertising services to the candidates in addition to the aggregated statements to also submit detailed statements for the services they offered for each candidate.**
- ◆ **The Commissioner should issue guidelines to the candidates, regarding the implementation of the applicable legislation and the correct completion of the electoral expenses report.**