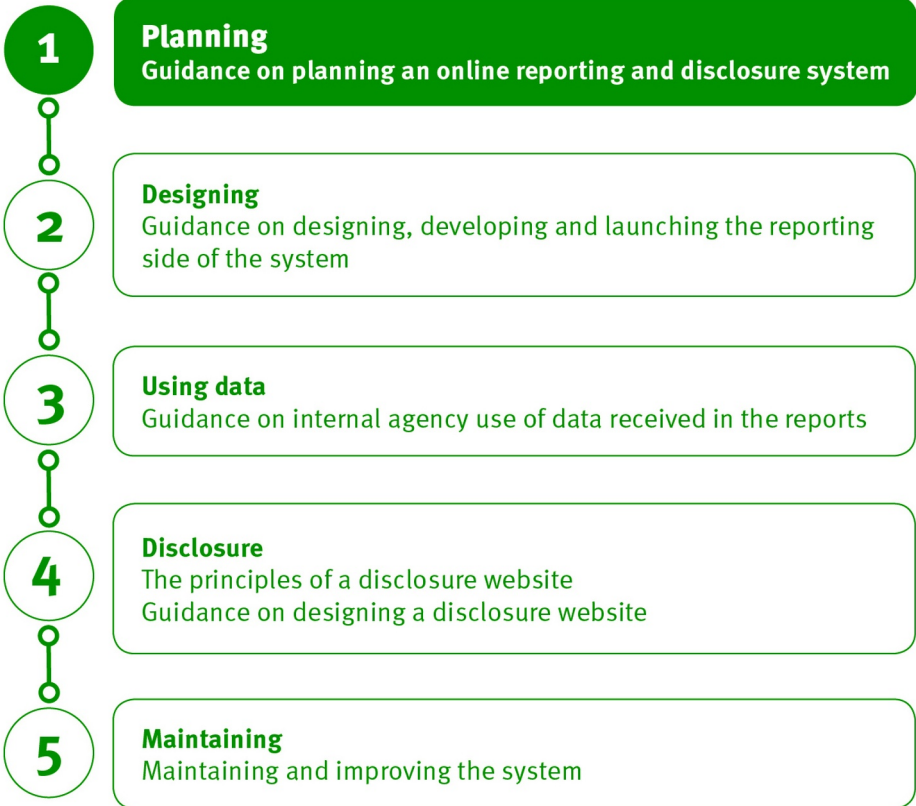


1. The planning phase



1.1. Introduction

The success of any online reporting and disclosure system hinges on the planning process. At this stage, decisions are made that will have a direct bearing on the rest of the project and will be hard or impossible to reverse. It is therefore crucial that the planning process is well thought through and not rushed. It may be tempting to cut corners during the planning phase, but this is almost always a mistake. Time and money spent wisely in planning is a sound investment for the project's success.

1.2. Establishing aims and objectives

It is crucial to identify and agree on the aims and objectives of the new system right from the outset. This is the point of departure and should inform all subsequent stages. The aims represent what the project intends to achieve, while the objectives are how the project will deliver these aims. The primary aim, for example, might be to provide public transparency of political parties' finances, while the overall objective would be to keep transparency at the core of the public disclosure website.

Aims will naturally vary from country to country. Possible aims could include:

- making information public in a more timely fashion;
- providing more accurate and complete information;
- providing searchable data;
- facilitating verification of data by the oversight agency; and
- reducing the administrative burden of reporting for political parties and candidates.

Objectives should also be further broken down to detail how, in this example, transparency will be delivered. Possible objectives might therefore be (a) to publish all donations, loans and election spending data in one searchable website; or (b) to provide the means for regulated organizations to report their complete spending returns online within four weeks of the electoral event.

The established aims and objectives will determine the nature of the final system. A system that aims to reduce the administrative burden for the oversight agency will likely turn out very differently from one that aims for maximum transparency. The former would probably dedicate a greater proportion of resources to developing the back-end administrative side of the system in order to

maximize its user friendliness and efficiency for agency staff, while the latter would prioritize the public disclosure website.

It is good practice when writing aims and objectives to be very specific; they will be used as a reference for making decisions throughout the project, so it is important to avoid any ambiguity. When setting aims and objectives, the views and needs of other stakeholders such as political parties and civil society groups should also inform the process. This consultative approach should be adopted for the entire project, including the planning phase.

1.3. Planning together with stakeholders

The success of an online reporting and disclosure system hinges on whether the end users utilize it in the manner (and to the extent) intended. To maximize the chances of appropriate use, it is highly recommended to engage with, and listen to, stakeholders throughout the *entire* process, including in the planning phase. Too often, transparency rules are foisted on political parties, for example, with little consultation with or input from them. Such an approach ignores both the expertise and needs of political parties and others. A successful consultation process during the planning stage, however, increases the odds that the project's implementation will be successful.

Identifying users

In order to accommodate users' needs, it is necessary to know who is going to use the system, including secondary or unanticipated users. It is helpful to map out all user groups and how they will use the system. Indicative questions to assist in this exercise could include:

- Who will have the ability to create a user profile and log on to the reporting portal?
- Who will be able to file reports?
- Will there be other users of the reporting portal beyond those who file reports?
- Who is expected to use the disclosure website?

Establishing the needs of users

Users' needs and preferences should be established at the outset, and inform the design phase. In other words, the system should be built around the user. This is, after all, a digital service that the oversight agency is providing. If use of the system is to be voluntary, it is even more critical to meet the needs of those filing reports. If not, they will simply elect not to file electronically.

Identifying user needs requires asking (not assuming) what people need from the service (e.g. by holding focus groups). Meeting with political party treasurers, for example, would inform the design team about which features and functions would make an online reporting portal appealing to them. In Estonia, the oversight agency consulted political party leaders and treasurers before developing its reporting system. In Sweden, political parties were invited to give their input to the design of the electronic forms that they would be using in the future. Similarly, the online reporting portal Cuentas Claras in Colombia received parties' input throughout the design and development processes.

It is also good practice to ascertain the needs of users of the public disclosure website early on in the process. Meeting with watchdog groups, academics and media representatives during the planning stage will give an oversight agency a better idea of what these stakeholders want and expect from a disclosure website. If this is not done, there is a risk that they will reject the system and it will be too late to do anything about it. A useful way to establish user needs is by creating user stories—descriptions of what end users do, or need to do, in order to carry out particular functions. Box 1.1 offers examples of how to formulate user stories, while Annex D provides some illustrative user stories for online reporting.

Once you have compiled a list of user stories stating the different tasks that users want to be able to perform, you then need to consider which tasks are feasible to include in the new system (see section 1.5 for more on conducting a feasibility assessment).

Box 1.1. Writing user stories

User needs are usually written in the following format:

As a ... [who is the user?]

I need/want/expect to ... [what does the user want to do?]

So that ... [why does the user want to do this?]

If it's helpful, you can add:

When ... [what triggers the user's need?]

Because ... [is the user constrained by any circumstances?]

Source: UK.Gov Service Design Manual, Identifying User Needs, <<https://www.gov.uk/service-manual/user-research/start-by-learning-user-needs#identifying-user-needs>>

If it is not possible to accommodate all of the tasks expressed in the user stories, you will have to choose which features and functions to include and which to omit. All essential features must of course be included, and you should not lose sight of the system's key objectives. Difficult decisions will inevitably need to be made on a limited budget and you should avoid promoting non-essential system functions at the expense of the key objectives (see Box 1.2). When soliciting users' feedback, it is therefore important to manage their expectations and explain that their feedback will, in general, be used where it complements the key objectives. Of course, if there are large discrepancies between the identified needs of users and the key objectives, then the latter may need to be re-evaluated.

Users' needs can also be ascertained from previous evaluations of political party financial reporting or frequently asked questions received from users via the phone or website. Talking to other staff in the oversight agency who have previously dealt with users may also be useful. Any second-hand information about users, however, should be validated by the users themselves.

1.4. Conceptualizing the reporting system

Before beginning any design process, you should be clear about your vision for the planned system. What type of system will it be? What functions will it include? In other words, it is important to understand the type of system before it is built. Broadly speaking, there are two kinds of online reporting systems: web-based and software-based systems.

Box 1.2. Allocating a limited budget: lessons from the United Kingdom

When the UK Electoral Commission redeveloped its disclosure site, the views of as many users as possible were sought. As a result, a near-comprehensive list of user stories was drawn up and costed. Since the cost of producing a system that accommodated all of these would have exceeded the allocated budget, the project team prioritized the user stories that referred to the project aims. For example, some users requested a form of instant messenger to allow them to talk directly to other colleagues and Commission staff. However, the cost of implementing this feature could never be justified against the system's stated objectives. Other stories, such as options to instantly share search results via social media, were not included in the original design but only because of their relative priority. These options are retained on the issues log to consider including in a future development.

With a web-based system, the user logs in via a website and enters and submits the data via a user interface. To use a software-based system, the user downloads a

programme onto their desktop and enters the data offline before submitting it online to the agency's server. In both types of system, the data are fed into a CMS and published on the oversight agency's public website. See Annex A for an overview of web- and software-based reporting and disclosure systems around the world.

One of the first decisions to make in the planning process is therefore what type of system you are going to develop. The choice should be made according to country-specific contexts, the resources available and the agency's objectives. Software-based systems are generally better for countries with poor Internet infrastructure, as once the software is downloaded it can be accessed regardless of connectivity issues. Countries with poor Internet connectivity that choose a web-based system must create a back-up system, such as a minimal application or offline version, that allows users to input or access data when connectivity is poor. Software-based systems are simpler to develop and therefore normally cheaper.

Web-based reporting systems have several advantages. For the user filing reports, an online user account provides a way to submit information, but can also serve as a record of previously submitted financial information, or as a database of donors. Since web-based systems allow for more scope in design, they are normally more intuitive and easier to use. As for security, it is easier to verify and issue secure log-in credentials for a web-based portal than for desktop software. The pros and cons of the two types of reporting system are summarized in Table 1.1.

1.5. Conducting a feasibility study

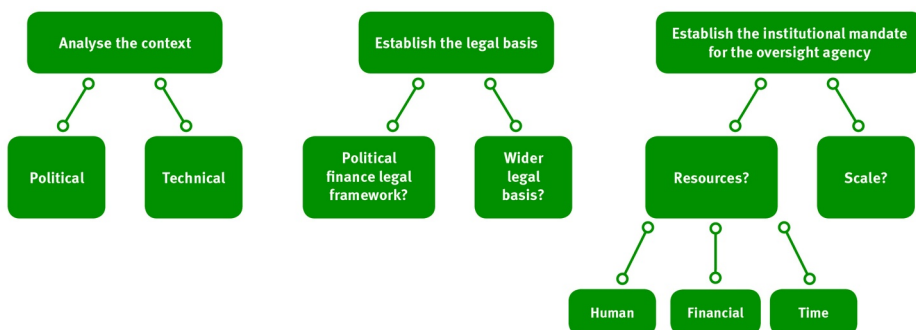
Once the aims and objectives have been defined and you have an idea of the type of system you want to develop, the next stage is to establish the feasibility of the project. Outcomes of the feasibility study will set the scope and parameters for the system, which need to be set against the established aims and objectives before a decision is made whether to proceed with the design and development stages. If, for example, the aim is to build an online reporting system that local party treasurers will use, but Internet connectivity is notoriously unreliable in some parts of the country, then you will need to rethink your aims.

It may be the case, of course, that the feasibility study indicates that the conditions are not yet ripe to introduce an online reporting and disclosure system, and a decision is made not to continue with the project. In such scenarios, the oversight agency may be able to take steps to help bring about favourable conditions in the future, but this lies outside the scope of this Guide.

**Table 1.1. Pros and cons of web- and software-based reporting systems**

Web-based systems		Software-based systems	
Pros	Cons	Pros	Cons
Provide comprehensive overview of financial data (both past and present)	Require stable Internet connection	Offline access (does not require a reliable Internet connection)	Limited design options and features; not as user friendly as web-based systems
User friendly	More complicated to develop (e.g. user interface, mass upload of data)	Do not require browser compatibility	Demand more from the user; less intuitive
User account tied to an individual user at all times; only entitled persons identified via official registers have access to the reporting system	Generally more expensive to develop than software-based systems	Often simpler and cheaper to develop than web-based systems	Challenge of ensuring everyone is using the latest version of the software
Web-based filing of official data is increasingly standard in many countries	Session can time out, resulting in loss of data	Good at handling large amounts of data through local data storage	Difficulty of ensuring only authorized users have access to software
Easier to maintain, as all users utilize one central version			
Facilitate public access to the data in real time			

The feasibility assessment can be broken down into several different elements, each of which is considered in turn below (see Figure 1.1). The questions raised here are intended to guide the reader to conduct their own feasibility study, and should not be seen as a blueprint or checklist of prerequisite conditions. Some factors will weigh more heavily in some contexts than others. Users of this Guide are best placed to balance the various considerations raised here to help them decide whether a system of this kind is a feasible undertaking for their country.

Figure 1.1. Overview of a feasibility study

Context analysis

Is the country context conducive to an online political finance reporting and disclosure system? This is an important question to consider before deciding whether to proceed, and can be broken down into political and technical contexts.

Political context

A conducive political environment is a prerequisite for an online system's success. The oversight agency should thus carefully consider the political context before deciding whether or not to build such a system. This includes internal as well as external factors. Some indicative questions include the following:

- Is there enough political will to make this work, both internally and externally? Does the project, for example, have the backing of the highest levels of the oversight agency, or from the government (as well as sufficient political independence so as not to be used in a partial manner)?
- Has there been any recent evidence of illicit political finance practices or scandals that may increase the political will and appetite to introduce this type of system?
- What is the security situation across the country? Are there some actors or areas that would be unable to report due to conflict, or the threat of violence?
- Is there a culture of respecting the reporting requirements? In other words, do political parties/candidates file reports?
- Is the information filed by political parties/candidates reliable, or is inaccurate and false reporting widespread?



- Does the oversight agency enforce the reporting requirements?
- Does a free and independent media/civil society exist to make use of published political finance data, or would the content of a disclosure website go largely unused?
- Is there a history or culture of monitoring political finance, either by the established authorities or by the media/civil society?
- Is it clear which authority or agency will be responsible for the system's implementation?
- Are political parties sufficiently strong and organized to administratively fulfil their reporting duties?

Technical context

An online system also requires an enabling technical environment. Indicative questions to raise could include the following:

- Are users (e.g. political parties, civil society organizations) sufficiently computer literate?
- Is there sufficient IT knowledge within the oversight agency?
- Is the Internet sufficiently accessible, fast and reliable?
- Is electricity sufficiently reliable?

Even if the answer to some of these questions is no, it does not necessarily mean that an oversight agency should decide not to build an online system. For example, you may decide that, if political parties do not always file reports or are in the habit of filing inaccurate data, online reporting (and particularly online disclosure) may help solve this problem by increasing the pressure for parties to comply. In other words, public disclosure of what is and what is not reported can help raise public expectations with regard to the transparency of party and campaign financing, and cause parties and candidates to respond to these expectations.

Similarly, even if civil society organizations do not currently monitor political finance, the creation of a user-friendly disclosure website may encourage them to do so. The important thing is to ask these and similar context-specific questions and make an informed decision.

Establishing the legal basis

Before going any further, an oversight agency needs to clearly establish the legal basis for an online reporting and disclosure system as it is envisaged. In many

countries, the laws and regulations do not explicitly mention the form in which political finance reports should be filed or data disclosed. Although best practice today is for public services to be digital by default, it is important for the oversight agency to ascertain whether any additional legal provisions are required. There may be nothing to prevent the agency from introducing an online reporting and disclosure system.

There are three possible scenarios when establishing the legal basis:

1. Yes, the law allows for online reporting and disclosure, and you can proceed to considering other elements of feasibility.
2. Yes, if some revisions are made to the system as you envisage it.
3. No, the law does not allow for it.

If there is no legal basis, what would need to change to create one? Would changes to regulations be sufficient, or would a change to the law be needed? If the required changes are only regulatory, then this is likely to be a more straightforward process and perhaps within the power of the oversight agency. If revisions to the relevant law are necessary, how likely is it that parliament will pass them?

In some cases, only small changes to the law or regulations may be required. For example, regulations in some countries state that political party financial reports must be made public in national newspapers. Supplementing this with a requirement to publish detailed reports on the oversight agency's website might be the only change required.

In sum, the oversight agency must conduct a legal review of all relevant laws and regulations to clearly establish the legal basis for an online reporting and disclosure system and identify what, if any, legal or regulatory changes are required.

Establishing a broader legal mandate

In addition to political finance laws and regulations, the broader legal mandate for introducing a reporting and disclosure system must also be ascertained. What, for example, do freedom of information acts or privacy and data protection laws say about the type of data that can be made public? In Ukraine, the introduction of an online system for individual asset declarations suffered considerable delays when the National Agency on Corruption Prevention was initially denied a data protection certificate by the Special Communications and Information Protection Service due to a lack of essential security features (Bloomberg News 2016).

The legal mandate may be ambiguous. For example, one section of Kenya's 2013 Election Campaign Financing Act states that financial information submitted by parties to the Election Commission cannot be made public unless it

is the subject of a complaint or investigation, while another states that financial information will be made available upon request. To make matters more complicated, the Kenyan Constitution contains an article on the right to access information. The implications of these conflicting regulations for online disclosure of political party finances on the Election Commission's website are unclear.

Certain details of online reporting and disclosure may be legally ambiguous. Where does the law stand, for example, on the use of electronic signatures, which are a common feature of online systems when users file political finance reports? In the event of a complaint or investigation, are electronically signed documents admissible in court or judicial proceedings? Legislation in the United Kingdom states that reports must be 'signed' by the treasurer, but it was unclear whether online authorization would fulfil this criterion. After seeking legal advice, the Election Commission went ahead with a digital signature, accompanied by a legal disclaimer. This is just one example of the types of legal issue that may need to be explored.

It is therefore recommended to seek legal advice when establishing the legal basis for an online reporting/disclosure system. Consulting legal experts on these matters may yield more than just clarity on the existing law. By opening up a dialogue, it might pave the way for more collaborative efforts between the agency and government lawyers and help bring about legal changes that facilitate the introduction of the reporting and disclosure system. This proved to be the case in the UK when the service delivery team working on online voter registration opened up a line of communication with electoral legal experts (Herlihy 2014).

Even after good legal advice has been sought to provide the legal basis for the project, issues are likely to emerge during the development phase. To ensure these legal issues are picked up and resolved in a timely manner, consider including a dedicated legal expert on the project team. At the very least, ensure that provision is made for this crucial resource during the planning phase.

Transparency versus privacy

When evaluating the legal mandate, the competing principles of transparency and privacy may need to be balanced. Although the guiding principle should be for an oversight agency to publish all relevant party/candidate financial information it receives, some legislation may supersede these aims, notably where an individual's private data are involved. It is imperative to establish, or at least gauge, early on where legal opinion stands on this debate. For example, do previous court rulings indicate the limits of political finance disclosure?

Where the law allows the oversight agency to collect certain data but only use it for internal purposes, this data must be identified early in the design process, and the system must be built in such a way that it is stored securely and compartmentalized from the rest of the disclosure side.

In Estonia, for example, although the oversight agency requests donors' personal identification numbers, this information is withheld from the public disclosure site in the interest of personal privacy. Other details are published as required by law: name, date of birth, donation amount and date. Similarly, in Sweden the data protection law does not allow the oversight agency to publish the names or addresses of donors, even though the agency receives this data.

Many countries favour privacy for small donations, which are not seen to have the potential to unduly influence politics. In these cases, the identities of donors who contribute below a certain amount are withheld, while the names of large donors are made public. Political parties and candidates may still be obliged to report all donations, however, which means that the system must be calibrated to only publish the details of donations above the legal threshold.

Other countries publish all data they receive. In Norway, the Political Party Act supersedes the legal protection of personal privacy, thus all data collected according to the act, including the municipality of residence of private donors, are to be published. In the United States, the Federal Election Commission (FEC) collects a significant amount of personal information and publishes everything, including the name, address, occupation and employer of a donor. Exemptions to this high degree of transparency are only made in the event that a court order is granted. This has been the case for the Communist Party and other far-left parties in the USA, with the justification that public disclosure of their donors would put these donors at risk of harassment or violent reprisals. Likewise in Australia, all collected personal data (name, address, contact details) are published unless there is a legitimate reason, such as fear of retribution. This is also the rationale for allowing anonymous donations in Northern Ireland, a provision that at the time of writing was controversial, given the role that anonymous donations from Northern Ireland played in the Brexit referendum campaign (Duncan et al. 2017).

Establishing an institutional mandate

Before any online system can be developed, the oversight agency must have the institutional mandate to receive and publish political finance data. In some countries, it is unclear whether this is the case. Different agencies may be responsible for different aspects of political finance oversight and enforcement, which may create some ambiguity regarding their authority to receive and disclose reports electronically. In those cases, for example, where one agency receives the reports and another publishes them, any integrated online platform will require considerable cross-agency collaboration. Any institutional uncertainty should be clarified at this early stage.



Scale

Is the scale of the envisaged system feasible? It should be built to meet the demands that will be placed upon it, both today and in the future. In this context, one major issue to consider is data storage space (and the associated costs), and whether more data will be reported in the future. If PDF files will be stored in the database, this will greatly increase the required storage space. It is important to bear in mind that because there needs to be an historical record and existing reports will be continually added to, the storage requirements will continually increase. Does the agency have enough space on its servers to meet these needs, or would storing everything on a cloud-based server be a better alternative?

Another issue of scalability is linked to processing the data. The system needs to be able to adequately process all the data it receives. It is recommended not to have a system that uploads reports linearly, whereby each report is processed in turn, as large reports can block and delay the processing of all other reports in the queue, causing a backlog. This is particularly important for real-time disclosure, such as in the USA. The FEC has a workaround solution for this problem known as multi-threading, whereby high-volume reports can be separated and dealt with to one side. In the event that multiple high-volume reports are submitted around the same time, they can be moved to another server to prevent a bottleneck. In practice, this solution is rarely required, as the FEC has significantly upgraded its servers and processors.

Establishing the required resources

As a bespoke system, an online reporting and disclosure system will typically be the largest IT capital investment a political finance oversight body will undertake. It is also a highly visible part of the organization. Managing the development and ongoing costs without compromising the system's ability to provide transparency or other capabilities is not easy. Before committing to building and running an online reporting and disclosure platform, the responsible agency (or agencies) must ascertain whether the necessary human and financial resources to successfully implement the project are available. Each type of resource is discussed in more detail below.

Human resources: assembling a design and development team

It is important to assemble a team that can design and develop a system with the right mixture of skills and competencies. The roles and responsibilities of the team members should be clearly articulated from the outset. Ideally, the design and development team should be comprised of staff members from within the agency who have both an IT and a design background, as well as those responsible for implementing reporting and disclosure requirements.

The key roles for the team are likely to include:

- project sponsor (must be senior staff, director or above);
- project leader/manager;
- project coordinator (part-time), to undertake project-specific administrative tasks (e.g. arranging meetings or taking minutes to free up time for the project manager);
- legal expert/focal point;
- IT team leader;
- external IT supplier (if external supplier is used);
- designer, specifically a user experience designer (see Box 2.3); and
- political party liaison(s).

Striking the right balance in the project team is important for building a system that meets both user needs and legal requirements. If the IT development of the system will be outsourced, then the external supplier should also be part of the design and development team. Regular contact between the external IT supplier and the oversight agency is absolutely crucial to building a successful system.

Calculating the human resources required to develop a system can be tricky. Below are a few tips gleaned from other agencies that have already undertaken a project of this type:

- *Be comprehensive.* Include all the human resources required, not just those of the core development team. This would include, for example, non-project staff and external persons to test the system, as well as legal advisors and other experts. Note that the time staff spend away from their regular work may need to be included in the budget.
- *Be generous in your calculations.* The required staff resources are often underestimated.
- *Build up and retain institutional knowledge.* To the extent possible, knowledge of system design and development should sit with the oversight agency as an institution, and not solely with one or two individuals. This helps make the required human resources more predictable and replaceable. The development of the UK's online system suffered a significant setback with the unexpected loss of the original project manager and, with him, key knowledge fundamental to the project's success. The

agency was forced to invest additional time and resources to make up for the lost knowledge.

Financial resources

Knowing the financial cost of the design, development and maintenance of a system is obviously key to the project's feasibility. As detailed and accurate a budget as possible should be drawn up from the outset. The final cost of a system varies greatly from country to country depending on a number of factors, including its scope, complexity, year of development and the cost of staff. Information obtained from multiple countries shows the design and development costs (staff costs not included) has ranged from USD 30,000 to USD 1.5 million.

Box 1.3. The 80/20 rule

It is easy to spend a disproportionate amount of time resolving a few issues at the expense of the core requirements. Recognize the impact of the 80/20 rule, according to which developing the last 20 per cent of functionality can be as costly as the previous 80 per cent. If necessary, functions can be held back for future developments, workaround solutions found, or in rare cases, the risk of running an incomplete system may be acceptable. The principle should be to invest your financial resources in areas that will help you achieve your key aims and objectives.

Remember that the financial costs do not stop once the system has been launched. There are ongoing costs associated with running, maintaining and upgrading it as well. Points to consider when establishing costs include:

- IT system development costs, including IT consultants' time, which will be a major cost if not developed internally;
- IT running costs, such as data storage and website hosting;
- staff time, given that any system will require attention from agency staff both during the development phase and on a regular basis once launched;
- project management costs, both internal and for the developers;
- staff costs towards improving data quality and quality assurance for data migration;

- staff costs towards user training and development of system guidance documents;
- software licencing; and
- hardware purchasing.

Required time

The amount of time needed to develop a system will also affect its feasibility, and should be estimated as accurately as possible in the planning phase. Staff costs are closely linked to the time required for development, and if the system takes longer than expected to implement, this will likely have significant budgetary implications. If the system needs to be up and running in time for a specific event such as an election, the developmental timeline has an even greater impact on the project's success. The time needed to build a system varies depending on its specifications and scope but, based on international experience, 9–12 months is typical.

1.6. A framework for development

Once you have completed a feasibility study, you need to think about how to implement the project. This is an IT development project like any other. When implementing an online reporting and disclosure system, it is recommended to use the Agile project management model, which ensures that there is close communication between the project team and the IT developers, and that the progress of different components of the system is regularly evaluated. For example, the UK Electoral Commission used the Agile model when building its online reporting system, the Party and Election Finance Database (PEF Online). Key features of the model include:

- splitting the development scope into distinct tasks called user stories;
- assigning each task a priority and an estimated time to complete;
- carrying out the development in short phases (typically two weeks) called 'sprints';
- assigning user stories to sprints by priority;
- reviewing and testing the development at the end of each sprint; and

- maintaining communication between the development team and the client through daily updates, regular demonstrations and universal access to project tracking documents.

The UK Government Service Manual splits the development process into four phases: discovery, alpha, beta and live (Gov.uk n.d.). Annex B of this Guide contains a summary of the different phases, based on the UK Electoral Commission's successful rebuilding of its online reporting system, the Party and Election Finance Database (PEF Online). Using the Agile model will avoid a potential situation in which the IT developers produce a beta version of the entire system, only for you to discover problems or misunderstandings very late in the development process.

Summary of key considerations for the planning phase

- Identify and solicit the input of end users early on, so that their needs will inform the planning of the system.
- Decide what type of system you want to build (i.e. web- or software-based).
- Conduct a thorough feasibility study, taking into account the context, legal basis and privacy concerns; the institutional mandate of the agency; the scale of the envisaged system; and the various resources required.
- Follow a solid project management framework. This is essential for the successful design and development of any online system.