

ICAI to help EC make political funding more transparent

Accounting regulator ICAI will assist Election Commission in ensuring that "sound accounting principles" are followed in the financial statements of political parties to make election funding more transparent.

The Institute of Chartered Accountants of India had provided assistance to the Election Commission on accounting and auditing of political parties in the Assembly elections last year.

Various issues related to election spending were discussed today at a workshop, 'Election Expenditure Monitoring and Auditing and Accounts of Political Parties', organised by the Election Commission of India.

Auditors of the major political parties and ICAI representatives participated in the meeting.

A presentation on 'Guidance Note on Accounting and Auditing of Political Parties' was made by the ICAI.

Among others, the note has recommended that accrual basis of the accounting has to be followed by the political parties in the preparation of their financial statements, according to an ICAI statement.

Besides, the grouping of chartered accountants has recommended that general purpose in financial statements of a political party should comprise of balance sheet, income and expenditure account, cash flow statement and notes forming part of financial statements.

ICAI President K Raghu said the endeavour of the institute and the Election Commission would go a long way in establishing sound accounting principles for the political parties.

"This will ensure transparency and accountability in party funds and election expenditure," he added.

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