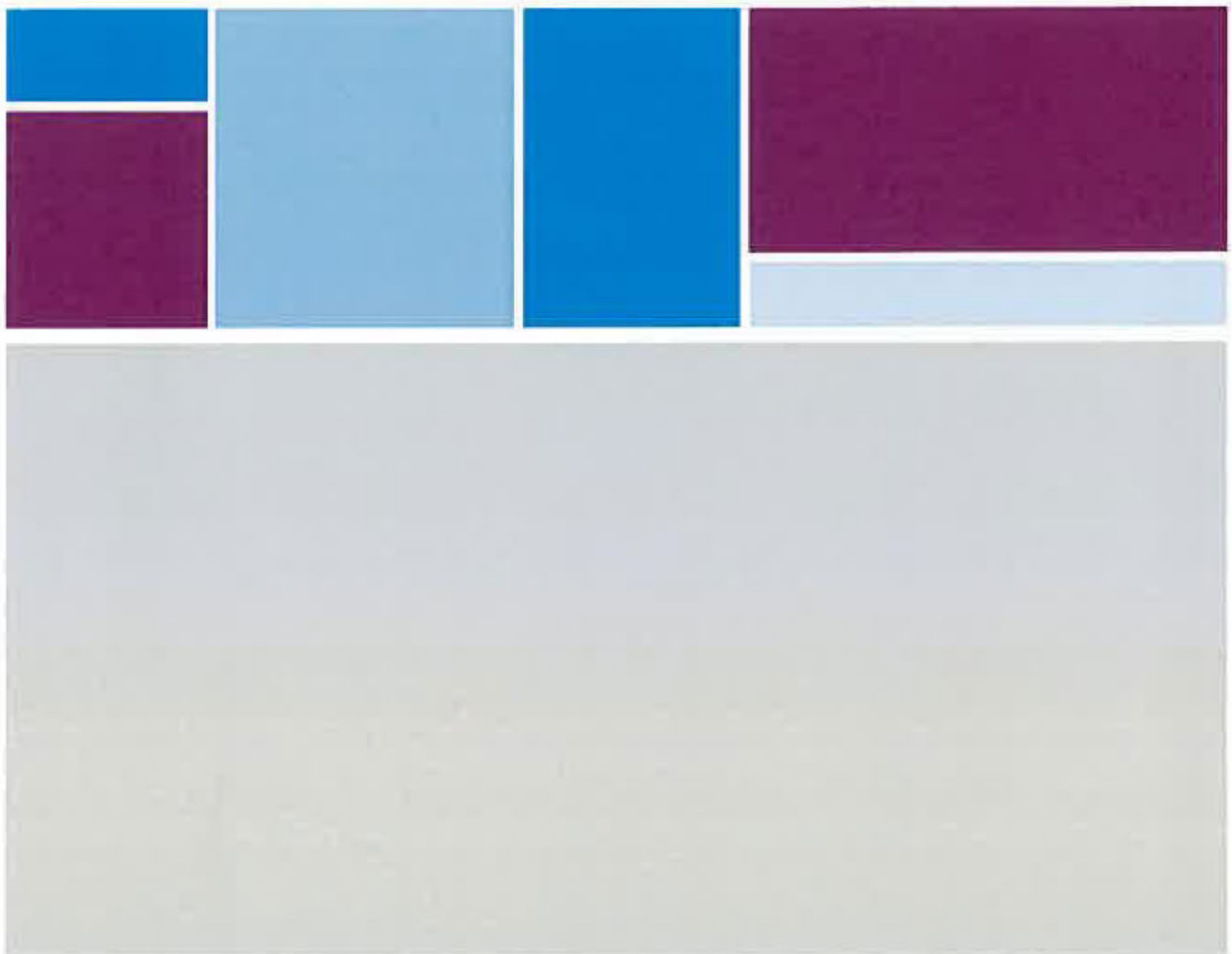


# Compliance Review Report

Katter's Australian Party

November 2013



**AEC**

Australian Electoral Commission

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## Review details

Location of review: Australian Electoral Commission  
West Block, Queen Victoria Terrace  
PARKES ACT 2600

Date of visit: November 2013

AEC review officers: Brad Edgman (Director)  
Alan Page  
Mary-Ann Waters

Party staff involved: Glenn O'Rourke

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## Background

Registered Political Parties and Associated Entities are required under the provisions of the *Commonwealth Electoral Act 1918* (the Act) to lodge annual disclosure returns. The Australian Electoral Commission (AEC) has powers under the Act to review records and gather relevant information to assess whether disclosure obligations have been met.

The purpose of the review was to assess whether the disclosure return for the 2011-12 financial year lodged on behalf of the Katter's Australian Party (the Party) complies with disclosure obligations as set out in the Act.

## Compliance and cooperation

### National Office

During the review, AEC staff examined bank records and financial records of the State Office for the 2011-12 financial year. The Party fully complied with the first s316(2A) notice in delivering requested records to the AEC by the due date.

### Party Units

The national body of this party does not have any party units.

## Review findings requiring amendment

Detailed examination of the Party's records, identified a number of discrepancies that in our opinion requires correction on the 2011-12 disclosure return.

### Total receipts and payments

Section 314AB(2)(a) of the Act requires the agent of a registered political party to report the total amount received by, or on behalf of, the party during the financial year. Similarly, s314AB(2)(b) of the Act requires the agent of a registered political party to report the total amount paid by, or on behalf of, the party during the financial year.

To satisfy this, the entire Party, that is, the National Office and all its State branches, must account for all transactions that result in receipts from and payments to external entities including to other State branches or associated entities of the party. These transactions must be accounted for on a gross basis without any offsetting, including of GST.

Based on the information included in the financial records examined, the review identified inaccuracies with regard to the total amounts reported in the return.

The table below compares the total amounts reported in the disclosure return with the total amounts reported in the bank statements adjusted for internal transfers and gifts in kind.

**Table 2** – Comparison of annual return to bank statements

	Total Receipts \$	Total Payments \$
Annual Return	2 098 379	2 320 108
Bank Statements	2 293 207	2 400 373
Gift in kind	48 936	0
<b>Total *</b>	<b>2 342 143</b>	<b>2 400 373</b>
<b>Difference(under-disclosed)</b>	<b>-243 764</b>	<b>-50 265</b>

\*full breakdown is shown in Attachment A

We have used bank statements for all accounts as the basis for our calculations of amounts received and paid.



## Required amendments

Amended total receipts      \$2 342 143

Amended total payments      \$2 400 373

### Receipts above the disclosure threshold

Section 314AC of the Act requires disclosure of the particulars of the sum of individual amounts received by, or on behalf of, a party from a person or organisation during the 2011-12 financial year of more than \$11,900.

On examination of the party's produced reports listing all transactions recorded in the Party's general ledger together with a visual inspection of individual credit amounts in the bank statements revealed one amount above the threshold that was not individually disclosed and one amount that was under disclosed. These amounts are listed below.

#### Required amendment (Original Entry )

Name	Address	New Amount
<i>Australian Taxation Office</i>	PO Box 9845 Brisbane QLD 4001	\$117 471

#### Required amendment (Amended Entry )

Name	Address	Original Amount
<i>Westpac Bank - Bundaberg</i>	100 Bourbong Street Bundaberg QLD 4670	\$972 890 Amended amount \$1 017 881

In view of the above, it is our opinion that an amended amount should be reported in Part 2 of the amended annual return.

### Matters requiring future action

The following matters need to be addressed before lodgement of disclosure returns in the future.

## Accuracy of reporting - consolidated financial information

To ensure more accurate reporting of the total figures in the disclosure return, the Party must ensure that the reported figures are adjusted for any intraparty transactions. The consolidation process, therefore, should involve the elimination of any transactions that involve movement of funds between:

- bank accounts within the State Office;
- the State Office and party units or campaign accounts;
- within a party unit if more than one bank account is held; and
- between various individual party units.

## Working documentation

No working papers were provided for this compliance review. The production of working document provides all parties the opportunity to identify and explain how and why discrepancies have occurred. The preparation and retention of working papers will also assist new staff in providing a system for collecting financial information for future disclosure returns.

## Recommended actions

1. The State Office of the party must capture and eliminate all intraparty transactions recorded in its accounting system so that the Party's monetary amounts reported in the annual disclosure return reflects the true and correct totals.
2. The State Office should maintain appropriate evidence to support the figures it reports in its annual disclosure return, including working papers to show how the total figures were arrived at ..

## Conclusion

Except for the matters mentioned, nothing has come to our attention that causes us to believe that the Party has not complied, in all material respects, with its disclosure obligations under the Act.

For your convenience, a 2011-12 Request for Amendment – Political Party Disclosure Return form has been enclosed for your signature. Please return the signed completed amendment form to the AEC by **Wednesday, 18 December 2013**.

If it is your contention that our findings are incorrect or you wish to request amendments that are different or additional to those we have listed above, please also provide an explanation along with any supporting working papers and documents by this due date.

### Enquiries and Assistance

Should the party require any assistance regarding its disclosure obligations under the Act, please contact the AEC's Funding and Disclosure Section either on telephone number (02) 6271 4552 or by email at [fad@aec.gov.au](mailto:fad@aec.gov.au).



## ATTACHMENT A

## Receipts

<b>Bank Statements - amounts</b>		
6	1,135,666	
less internal transfers	-8,676	1,126,990
6	1,303,470	
less internal transfers	-139,099	1,164,371
6	2,002	
less internal transfers	0	2,002
Less bank adjustment & corrections		-156
Add gift in kind		48,936
<b>Total</b>		<b>2,342,143</b>

## Payments

<b>Bank Statements - amounts</b>		
6	1,262,078	
less internal transfers	139,099	1,122,979
6	1,283,277	
less internal transfers	8,676	1,274,601
6	2,949	
Less internal transfers	0	2,949
Less bank adjustment & corrections		-156
<b>Total</b>		<b>2,400,373</b>



## **REDACTION CODES**

- 1      Personal Information (name) redacted.
- 2      Personal Information (facsimile of signature) redacted
- 3      Personal Information (facsimile of manuscript initialling) redacted
- 4      Personal Information (Individual's address)
- 5      Personal information (individual's telephone number)
- 6      Business information (Bank Account details) redacted.
- 7      Business information (Billing Account details) redacted.
- 8      Legal Professional Communication redacted.
- 9      Deliberative material redacted.
- 10     Irrelevant material redacted.