

# Compliance Review Report

Christian Democratic Party (Fred Nile Group)

October 2013



**AEC**

Australian Electoral Commission

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## Review details

|                       |  |
|-----------------------|--|
| Location of review:   | Australian Electoral Commission<br>West Block, Queen Victoria Terrace<br>PARKES ACT 2600 |
| AEC review officers:  | Ralph Fayed<br>Paul Lau  |
| Party staff involved: | Ian Smith  |

### Background

Registered political parties and associated entities are required under the provisions of the *Commonwealth Electoral Act 1918* (the Act) to lodge disclosure returns annually. 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 2010/11 financial year lodged on behalf of the Christian Democratic Party (Fred Nile Group) (the Party) complies with disclosure obligations as set out in the Act.

### Compliance and cooperation

#### Head Office

The AEC issued an s.316(2A) notice calling for financial records of the Party's Head Office covering the 2010/11 financial year. The Party fully complied with this first s.316(2A) notice by delivering requested records to the AEC by the due date. The Party's Head Office is responsible for New South Wales and Victoria.

#### Party Units

The AEC also selected six (6) party units from a total population of thirty (30) party units responsible to the Party's Head Office. Documentation for the 6 selected party units, which was requested in a second s.316(2A) notice, was received by the due date except for bank accounts statements for Robertson Branch for the period 01/07/2010 through to 31/12/2010. To release these bank statements the financial institution concerned requires the signatures of both the prior and proposed bank account signatories. However, the Branch had been dormant for some time and the prior account signatories proved difficult to locate. However, the missing Roberson Branch bank statements were subsequently provided.

**Table 1 – Party units selected for review**

| Name of party unit  | Name of party unit    |
|---------------------|-----------------------|
| 1. Blacktown Branch | 4. Robertson Branch   |
| 2. Kiama Branch     | 5. Victoria Branch    |
| 3. Miranda Branch   | 6. Wagga Wagga Branch |

Miranda Branch reported no financial activity during the financial year ended 30 June 2011. The AEC was provided with both a completed party unit compliance questionnaire attesting to no financial activity and the full set of bank statements for this party unit, evidencing no financial activity.

## Review findings requiring amendment

Detailed examination of the Party's records identified the following discrepancies in the disclosure of: total receipts; total payments; and receipts above the threshold, which will require amendment.

### 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, s.314AB(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 disclosure requirements under the Act, the Party and its party units must account for all transactions that result in receipts from and payments to external bodies. These transactions would include payments due to asset purchases and receipts from loans taken out during the relevant financial year. The disclosable amounts must also include any taxes and charges such as 'Goods and Services Tax' (GST). Further, no netting-off of either receipts or payments against each other should be undertaken, such as in the case of fund raising events.

Accordingly, receipts and payments required for disclosure purposes under the Act do not embrace the accrual concepts of 'total income' and 'total expenditure' embodied in profit and loss statements. Further, the profit and loss statements are usually net of GST, as they are in this Party's case (Note 1 to the audited 2010/11 financial statements, refers). The AEC calculation using the **bank statements** are available at Attachment A and the AEC calculations using the Party's **general ledger** are available at Attachment B.

The AEC uses bank statements as an independent, consistently cash based, corroborative benchmark, against which to assess the total receipts and total payments amounts derived by the Party.

The total receipts amount and total payments amount calculated by the AEC using the Party's **bank statements** <sup>6</sup> (Attachment A, refers) were in accord with the total receipts amount and total payments amount derived by the AEC, using the Party's **general ledger** (general ledger account numbers 1-1110, 1-1111, 1-1112, 1-1113, 1-1130 and 1-1160, respectively, Attachment B, refers). Accordingly, the AEC used the **general ledger** amounts as a basis for deriving the amending amounts.

Internal transfers can arise as a result of transactions between bank accounts held by:

- Head Office;
- Head Office and party units;
- one party unit and another party unit; and
- an individual party unit.

This '*churn*' of funds within the Party should be eliminated from the calculation of total receipts and total payments to avoid incorrectly inflating amounts reported in the disclosure return. Accordingly, only the Party's transactions with the outside world should be included in disclosure. Adjustments for internal transfers were identical under both scenarios laid out in Attachment A and Attachment B.

The AEC calculated amounts were found to be materially greater than the amounts reported as total receipts and total payments by the Party. The under-disclosure is largely due to the incorrect use of *total income* and *total expenditure* amounts recorded in the Party's '*Income Statement*' even after the elimination of internal transfers.

The AEC identified total receipts of **\$773,956**, from total cash receipts reported in the **general ledger** of the Party's Head Office and totals reported for the party units, adjusted for the discrepancies identified following a compliance review of selected party units. The Party disclosed total receipts of \$693,320. The discrepancy resulted in an under-disclosure of \$80,636 (Table 2 below and Attachment B, refer).

Similarly, the AEC identified total payments of **\$859,718**, from total cash payments reported in the **general ledger** of the Party's Head Office and totals reported for the party units, adjusted for the discrepancies identified following a compliance review of selected party units. The Party disclosed total payments of \$755,326. The discrepancy resulted in an under-disclosure of \$104,392 (Table 2 below and Attachment B, refer).

**Table 2** – Comparison of total receipts and total payments derived by the AEC from the general ledger, with the Party's disclosure amounts for the year in the 2010/11 financial year

| Name of party unit                    | \$ Total Receipts | \$ Total Payments |
|---------------------------------------|-------------------|-------------------|
| Total Party calculations (disclosure) | 693,320           | 755,326           |
| Total AEC calculations                | <b>773,956</b>    | <b>859,718</b>    |
| <b>Difference (under disclosed)</b>   | 80,636            | 104,392           |

To correct the omissions outlined above, Part 1 and Part 3 of the 2010/11, 'Request for Amendment – Political Party Disclosure Return' form should be completed to show the amended total receipts amount and the amended total payments amount, as set out below.

### Required amendments

|                               |                  |
|-------------------------------|------------------|
| <b>Amended total receipts</b> | <b>\$773,956</b> |
| <b>Amended total payments</b> | <b>\$859,718</b> |

### Receipts above the threshold

Section 314AC(1) of the Act provides that if the sum of all amounts received by, or on behalf of, the Party from a person or organisation during a financial year is more than the indexed threshold, the return must include the particulars of that sum. For the 2010/11 financial year this indexed threshold for disclosure was set at any amount more than \$11,500. In calculating that sum, an amount of \$11,500 or less need not be counted (s.314AC(2) refers).

Receipts above the \$11,500 indexed threshold omitted from the Party's disclosure return will now be included in Part 2 of the 2010/11, 'Request for Amendment – Political Party Disclosure Return' form, as set out below.

### Required amendments

| Name   | Postal address                   | \$ Amount received | Donation or Other Receipt |
|--|----------------------------------|--------------------|---------------------------|
| Christian Democratic Party (Fred Nile Group) WA Branch | PO Box 237, Thornlie, WA, 6888   | 15,000             | Other Receipt             |
| Australian Electoral Commission                        | PO Box 6172, Kingston, ACT, 2604 | 17,408             | Other Receipts            |

## Party units

Generally, the financial information reported by party units in their disclosures to the Party's Head Office was complete and supported by sufficient records.

In the review of party units, the AEC calculated the totals based on the amounts reported in the various banks' statements and cash books/cash ledgers provided by the treasurers of each party unit. Our summary of findings for each party unit reviewed is provided below.

**Blacktown Branch:** Disclosure amounts accepted. However, not all financial transactions were passed through a bank account, for control and validation purposes.

**Kiama:** Disclosure amounts accepted.

**Miranda:** Disclosure amounts accepted.

**Robertson:** Disclosure amount accepted. Bank statements for the period 1/7/2010 to 31/12/2010 were not available by the due date set in the second s.316(2A) notice, which related to the selection of party units, but were subsequently provided (*Cooperation and compliance* above, refers). The party unit appears to have netted-out payments of \$96.20 for a luncheon from total donations received of \$170, on 14/11/2010 and deposited the residual amount of \$73.80 into its bank account on 17/11/2010. However, the receipts and payments were fully accounted for in the cash book and it is these amounts that were correctly disclosed.

**Victoria:** The party unit's disclosure was adjusted (Table 3 below, refers). The amounts disclosed for total receipts and total payments were incorrect, being the same as the 'total revenue' and 'total expenditure' amounts as stated in the party unit's 'Income and Expenditure Statements', for the year ended 30 June 2011. The reasons why this is incorrect are discussed more broadly in the body of the report (*Total receipts and payments* above, refers). The party unit's cash book reconciled to the bank statements and internal transfers were correctly identified. However, the party unit's disclosed amounts for total receipts and total payments were not drawn from the reconciled cash book amounts and the internal transfers were not eliminated, as would be required for complete and accurate disclosure under the Act.

**Wagga Wagga:** The party unit's disclosure was adjusted (Table 3 below, refers). The AEC calculated the total receipts and total payments based on the amounts reported in the bank statements. Once those amounts not passing through the bank accounts were included, reconciliation was obtained with the cash book.

The Party appeared to have eliminated from both total receipts and total payments an amount of \$750.00. This amount related to a payment made to S. Mulholland for

campaign expenses, made via cheque number 2000050, dated 07/08/2010. The cheque was not cashed and was subsequently treated as a donation on 04/09/2010. The amount was recorded in the cash book as a payment and as a receipt but not included in the final disclosure. Hence creating an under disclosure of \$750 in both total payments and receipts for the party unit.

The AEC understands that none of the party units lodged a standardised disclosure return with the Party's Head Office. The AEC commends the practice as a guide to treasurers who cannot always be expected to understand the Party's disclosure obligations and as an aid to timely disclosure. The AEC further understands that the practice has now been instated. Accordingly, the AEC is happy to offer assistance in any further development of the disclosure return.

**Table 3** – Comparison of total receipts and total payments for party units disclosed by the Party's Head Office to amounts calculated by the AEC, in the financial year 2010/11

| Party Unit           | Totals reported by the Party's Head Office |                  | Totals amounts based on records examined by AEC |                  | Difference       |                 |
|----------------------|--|------------------|---|------------------|------------------|-----------------|
|                      | Total receipts                             | Total payments   | Total receipts                                  | Total payments   | Total receipts   | Total payments  |
| 1. Blacktown Branch  | 449.37                                     | 90.00            | 449.37  | 90.00            | 0.00             | 0.00            |
| 2. Kiama Branch      | 1,278.77                                   | 585.67           | 1,278.77  | 585.67           | 0.00             | 0.00            |
| 3. Miranda Branch    | 0.00                                       | 0.00             | 0.00  | 0.00             | 0.00             | 0.00            |
| 4. Robertson Branch  | 6,844.47                                   | 7,750.70         | 6,844.47  | 7,750.70         | 0.00             | 0.00            |
| 5. Victoria Inc.     | 35,859.00                                  | 45,027.00        | 45,690.46                                       | 54,273.71        | 9,831.46         | 9,246.71        |
| 6 Wagga Wagga Branch | 1,309.56                                   | 1,966.35         | 2,059.56  | 2,716.35         | 750.00           | 750.00          |
| <b>TOTAL</b>         | <b>45,741.17</b>                           | <b>55,419.72</b> | <b>56,322.63</b>                                | <b>65,416.43</b> | <b>10,581.46</b> | <b>9,996.71</b> |

**TOTAL** – In the last two columns on the right hand side of the table, titled differences for total receipts and total payments, the total amounts indicated are all *under-disclosed* amounts.

These adjustments have been incorporated into the Party's overall disclosure amendment as advised in Table 2 above. The manner in which these adjustments are taken up is illustrated at item 16 in both Attachment A and Attachment B outlined below.



## Matters requiring future action

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

### Party units record keeping

The suggestions for general better practice record keeping outlined below should assist the Party to more easily meet its disclosure obligations under the Act. The suggestions centre around continuing to maintain a cash book/general ledger, together with the features outlined below, for each financially independent party unit.

- The development of instructions for party unit treasurers to assist them in capturing financial activity information for disclosure purposes via the new monthly return that has been developed.
- Safeguard all party unit records in such a way that access is maintained on an ongoing basis, particularly during dormant periods. It is understood that there is now a requirement for party units to lodge key documents with the Party's Head Office on a monthly basis, together with the monthly return.
- Reconcile all bank statements to the cash book/general ledger periodically.
- Capture and eliminate all party unit internal transfers.
- Record all transactions with sufficient details to identify not only the amount of these transactions but also with whom and when these transactions occurred.
- Record all transaction details when deposits are composed of a number of individual receipts.
- Typically record all cash receipts and all cash payments with the aid of receipts and cheques written, either in manual or electronic form.
- Pass all transactions through a bank account.
- Transactions should be recorded in the cash book/general ledger in the sequence that they occur and the bank statements used to corroborate these transactions and validate an accurate carry forward cash balance.

Attachment D provides copies of final reports issued to party units selected for compliance review.

## Conclusion

Except for the matters noted above, 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. To ensure full compliance with the Act, the matters noted above should be remedied.

For your convenience, a 2010/11 Request for Amendment – Political Party Disclosure Return form has been enclosed for your completion. Please return the completed amendment form to the AEC by, **Friday, 25 October 2013**.

## 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

Comparison of total receipt and total payments derived by the AEC from the Party's **bank statements**, with the Party's disclosure amounts, for financial year 2010/11

|   | Total Receipts   | Total Payments    |
|---|------------------|-------------------|
| 1 <sup>6</sup>  | 703,237.34       | 700,428.51        |
| 2. <i>Less internal transfers between the Party's bank accounts</i>   | -56,740.00       | -212,100.00       |
| 3. <i>Less adjustments – Cheque number 403052 drawn and redeposited same day, 14/02/2011</i>                            | -50,000.00       | -50,000.00        |
| 4 <sup>6</sup>  |                  |                   |
| for year ended 30 June 2011   | 354.93           | 5,452.57          |
| 5. <i>Less internal transfers between the Party's bank accounts</i>   | 0.00             | -5,000.00         |
| 6 <sup>6</sup>  |                  |                   |
| for year ended 30 June 2011   | 195,718.07       | 195,821.14        |
| 7. <i>Less internal transfers between the Party's bank accounts</i>   | -162,350.00      | 0.00              |
| 8 <sup>6</sup>  |                  |                   |
| for year ended 30 June 2011   | 71,515.52        | 108,170.76        |
| 9. <i>Less internal transfers between the Party's bank accounts</i>   | -24,905.95       | -250.00           |
| 10 <sup>6</sup>   |                  |                   |
| for year ended 30 June 2011   | 50.77            | 54,047.64         |
| 11. <i>Less internal transfers between the Party's bank accounts</i>  | 0.00             | -26,645.95        |
| 12 <sup>6</sup>   |                  |                   |
| for year ended 30 June 2011   | 50,238.15        | 50,005.00         |
| 13. <i>Less internal transfers between the Party's bank accounts</i>  | -50,000.00       | -50,000.00        |
| 14. Total (bank statements - Head Office)   | 677,118.83       | 769,929.67        |
| 15. <i>Add party units (based on branch units records provided by Head Office)- see Attachment C</i>                    | 87,854.43        | 91,026.37         |
| 16. <i>Add under disclosure identified following compliance review of selected party units – Report, Table 3 refers</i> | 10,581.46        | 9,996.71          |
| 17. Total (Head Office plus party units)  | 775,554.72       | 870,952.75        |
| 18. Total Party's Disclosure Return   | 693,320.00       | 755,326.00        |
| <b>VARANCE (Under-disclosed)</b>  | <b>82,234.72</b> | <b>115,626.75</b> |

## Attachment B

Comparison of total receipt and total payments derived by the AEC from the Party's **general ledger**, with the Party's disclosure amounts, for financial year 2010/11

|   | Total Receipts    | Total Payments    |
|---|-------------------|-------------------|
| <b>1. General ledger Account 1-1110 for year ended 30 June 2011</b>   | 702,164.27        | 689,719.50        |
| <b>2. Less internal transfers between the Party's bank accounts</b>   | -56,740.00        | -212,100.00       |
| <b>3. Less adjustments – Cheque number 403052 \$50,000.00 redeposited, journal entries GJ000032 \$51.30 and GJ000081 \$474.00</b> | -50,525.30        | -50,525.30        |
| <b>4. General ledger Account 1-1111 for year ended 30 June 2011</b>   | 354.93            | 5,452.57          |
| <b>5. Less internal transfers between the Party's bank accounts</b>   | 0.00              | -5,000.00         |
| <b>6. General ledger Account 1-1112 for year ended 30 June 2011</b>   | 195,718.07        | 195,821.14        |
| <b>7. Less internal transfers between the Party's bank accounts</b>   | -162,350.00       | 0.00              |
| <b>8. General ledger Account 1-1113 for year ended 30 June 2011</b>   | 71,515.52         | 108,170.76        |
| <b>9. Less internal transfers between the Party's bank accounts</b>   | -24,905.95        | -250.00           |
| <b>10. General ledger Account 1-1130 for year ended 30 June 2011</b>  | 50.77             | 54,047.64         |
| <b>11. Less internal transfers between the Party's bank accounts</b>  | 0.00              | -26,645.95        |
| <b>12. General ledger Account 1-1160 for year ended 30 June 2011</b>  | 50,238.15         | 50,005.00         |
| <b>13. Less internal transfers between the Party's bank accounts</b>  | -50,000.00        | -50,000.00        |
| <b>14. Total (general ledger - Head Office)</b>   | <b>675,520.46</b> | <b>758,695.36</b> |
| <b>15. Add party units (based on branch units records provided by Head Office)- see Attachment C</b>                              | 87,854.43         | 91,026.37         |
| <b>16. Add under disclosure identified following compliance review of selected party units – Report, Table 3 refers</b>           | 10,581.46         | 9,996.71          |
| <b>17. Total (Head Office plus party units)</b>   | <b>773,956.35</b> | <b>859,718.44</b> |
| <b>18. Total Party's Disclosure Return</b>  | <b>693,320.00</b> | <b>755,326.00</b> |
| <b>VARANCE (Under-disclosed)</b>  | <b>80,636.35</b>  | <b>104,392.44</b> |

## Attachment C

Total amounts reported by party units to the Head Office - financial year 2010/11

| Party units with bank account identifiers | Total Receipts   | Total Payments   |
|---|------------------|------------------|
| 1. Armidale                               | 1,878.21         | 1,390.89         |
| 2. Ballina                                | 2,493.75         | 1,299.08         |
| 3. Blacktown                              | 449.37           | 90.00            |
| 4. Blue Mountains                         | 0.32             | 0.00             |
| 5. Camden/Campbelltown                    | 2,360.00         | 1,813.21         |
| 6. Castle Hill                            | 520.53           | 110.00           |
| 7. Coffs Harbour                          | 3,832.70         | 3,669.53         |
| 8. Cowra                                  | 0.12             | 0.00             |
| 9. Cronulla                               | 1,455.38         | 1,906.49         |
| 10. Cudgegon                              | 0.68             | 0.00             |
| 11. Dubbo                                 | 0.84             | 0.00             |
| 12. East Hills                            | 6.68             | 0.00             |
| 13. Hornsby                               | 1,390.06         | 1,899.00         |
| 14. Kiama                                 | 1,278.77         | 585.67           |
| 15. Ku-Ring-Gai                           | 2.84             | 0.00             |
| 16. Lithgow                               | 0.45             | 0.00             |
| 17. Miranda                               | 0.00             | 0.00             |
| 18. Murray-Darling                        | 0.48             | 0.00             |
| 19. Newcastle                             | 3,540.00         | 3,103.62         |
| 20. Orange                                | 1,084.89         | 1,080.00         |
| 21. Penrith                               | 1,674.00         | 668.90           |
| 22. Port Macquarie                        | 0.48             | 0.00             |
| 23. Robertson                             | 6,844.47         | 7,750.70         |
| 24. Ryde                                  | 2,961.82         | 1,573.00         |
| 25. South Coast                           | 6,261.49         | 5,223.00         |
| 26. Southern Highlands                    | 3,471.78         | 3,006.98         |
| 27. Sydney                                | 1,350.35         | 1,328.00         |
| 28. Victoria                              | 35,859.00        | 45,027.00        |
| 29. Wagga Wagga                           | 1,309.56         | 1,966.35         |
| 30. Wollondilly                           | 7,825.41         | 7,534.95         |
| <b>TOTALS</b>                             | <b>87,854.43</b> | <b>91,026.37</b> |

## Attachment D

Copies of final reports issued to party units selected for compliance review.

1. **Blacktown Branch**
2. **Kiama Branch**
3. **Miranda Branch**
4. **Robertson Branch**
5. **Victoria Branch**
6. **Wagga Wagga Branch**



Reference: Fad6650-04/66

1

Treasurer

4

Dear 1

I am writing to provide you with a copy of our compliance review report of the Blacktown Branch. The Branch review formed part of a wider review of the 2010/11 disclosure return lodged by the Christian Democratic Party (Fred Nile Group) with the Australian Electoral Commission.

I would like to thank you for your assistance during the review. The enclosed report outlines details of our findings and matters for your future action.

Should you have any questions regarding the compliance review process or any other issues regarding disclosure obligations under the Act, please do not hesitate to contact me by telephone on (02) 6271 4513 or by email at [fad@aec.gov.au](mailto:fad@aec.gov.au).

Yours sincerely

Ralph Fayed  
Assistant Director  
Funding and Disclosure – Compliance

9. October 2013

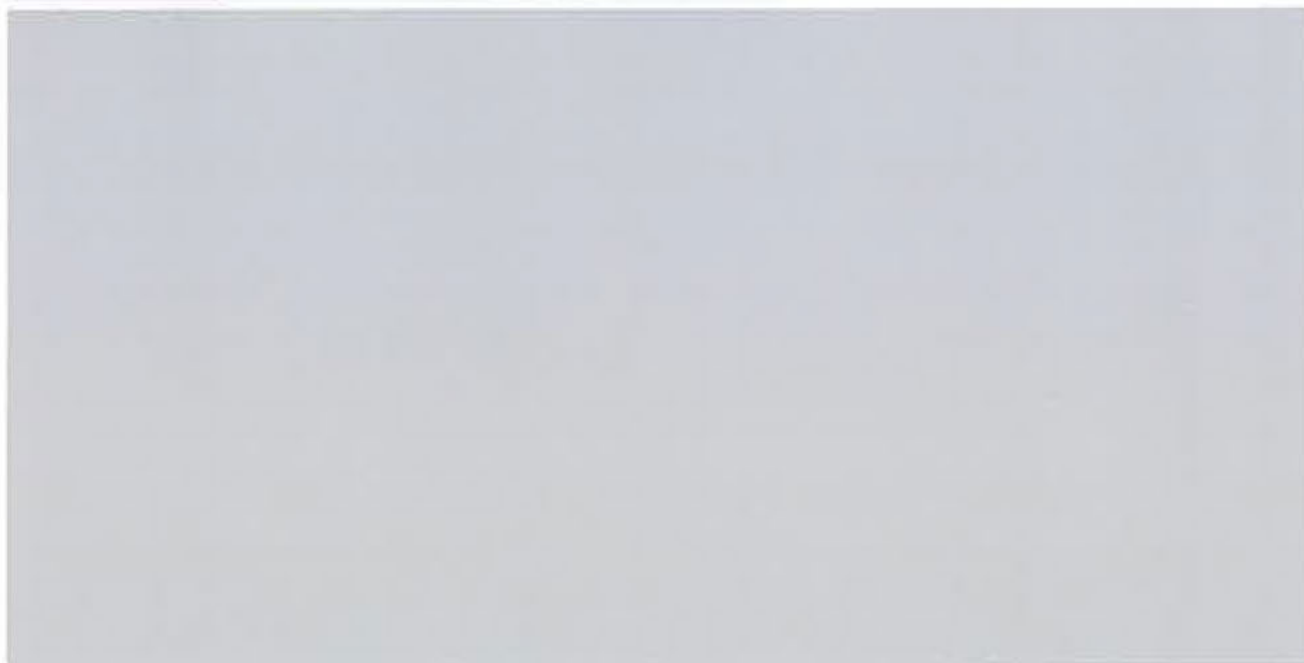
cc: Mr Ian Smith, Party Agent

# Compliance Review Report

Christian Democratic Party (Fred Nile Group)

Blacktown Branch

October 2013



**AEC**

Australian Electoral Commission



## Review details

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

AEC review officers: Ralph Fayed  
Paul Lau

Party staff involved: Ian Smith

## Background

Federally registered political parties are required under the *Commonwealth Electoral Act 1918* (the Act) to lodge disclosure returns annually. 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 2010/11 financial year lodged on behalf of the Christian Democratic Party (Fred Nile Group) (the Party) complies with disclosure obligations as set out in the Act.

The AEC selected Blacktown Branch (the party unit) as part of the compliance review process.

## Records requested

On 2 November 2012, the AEC issued a notice under s.316(2A) of the Act to the Party Agent requesting a number of records regarding financial activities of the party unit for the 2010/11 financial year including:

1. a list of transactions by account for all accounts in the cash book/general ledger for the 2010/11 financial year;
2. bank statements for all bank accounts including investment/term deposit accounts for the period from 1 July 2010 to 31 July 2011 (13 months);
3. a bank reconciliation statement for the end of the 2010/11 financial year for each bank account held;
4. financial statements for the 2010/11 financial year, where applicable;
5. a copy of the party unit's disclosure return lodged with the Party's Head Office, where applicable; and
6. the name, address, contact phone number and email address of the party unit official responsible for the above listed documents.

## Records provided

On 30 November 2012, in response to the s.316(2A) notice the AEC received the following documents:

1. a list of cash receipts and cash payments produced by the party unit for the 2010/11 financial year;
2. bank statements for [REDACTED] for the period from 31 May 2010 to 29 July 2011; and
3. a bank reconciliation statement for 30 June 2011, for Westpac bank account number 21-8086.

## Review findings

The AEC did not identify any discrepancies between the amounts reported by the Party's Head Office and the records provided, by the Party.

The AEC calculated the total receipts and total payments based on the amounts reported in the bank statements provided. Once those amounts un-deposited and not passing through the bank were included, reconciliation was obtained with the cash book.

The table below provides a comparison of the total amounts reported to the Party's Head Office with the respective amounts calculated by the AEC from records provided, by the Party.

| Blacktown Branch   | Total receipts | Total payments |
|--|----------------|----------------|
|  | \$             | \$             |
| <b>Disclosure to Party's Head Office</b>                           | <b>449.37</b>  | <b>90.00</b>   |
| Bank statements for [REDACTED]                                     | 306.87         | 0.00           |
| <i>Add: Cash transactions not passing through the bank account</i> | 90.00          | 90.00          |
| <i>Add: Donations not banked</i>                                   | 52.50          | 0.00           |
| <i>Less: Intra-party transactions</i>                              | 0.00           | 0.00           |
| <b>Total AEC calculated bank &amp; cash</b>                        | <b>449.37</b>  | <b>90.00</b>   |
| <b>Disclosure difference</b>                                       | <b>0.00</b>    | <b>0.00</b>    |
| Cash book/general ledger   | 449.37         | 90.00          |
| <i>Less: Intra-party transactions</i>                              | 0.00           | 0.00           |
| <b>Total AEC calculated cash book</b>                              | <b>449.37</b>  | <b>90.00</b>   |
| <b>Disclosure difference</b>                                       | <b>0.00</b>    | <b>0.00</b>    |

## Matter requiring future action

All original records relating to the party unit's financial activities, such as, bank statements, details of all transactions, deposit books and other relevant supporting documentation should be retained by the party unit to provide evidence that disclosure obligations under the Act have been complied with. The AEC recommends a retention period of at least three years.

The records reviewed are the records of the Party rather than of the person/s handling them. Therefore, outgoing treasurers of the party unit should ensure that all relevant records are forwarded to the new treasurer.

The records retained must be accurate and complete to enable the party unit and, subsequently, the Party's Head Office to support the disclosures made in the return on behalf of the entire Party.

## Enquiries and assistance

Should any assistance be required regarding 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).



Reference: Fad6651-04/66

1 [Redacted]

Treasurer

4 [Redacted]

Dear 1 [Redacted]

I am writing to provide you with a copy of our compliance review report of the Kiama Branch. The Branch review formed part of a wider review of the 2010/11 disclosure return lodged by the Christian Democratic Party (Fred Nile Group) with the Australian Electoral Commission.

I would like to thank you for your assistance during the review. The enclosed report outlines details of our findings and matters for your future action.

Should you have any questions regarding the compliance review process or any other issues regarding disclosure obligations under the Act, please do not hesitate to contact me by telephone on (02) 6271 4513 or by email at [fad@aec.gov.au](mailto:fad@aec.gov.au).

Yours sincerely

Ralph Fayed  
Assistant Director  
Funding and Disclosure – Compliance

9. October 2013

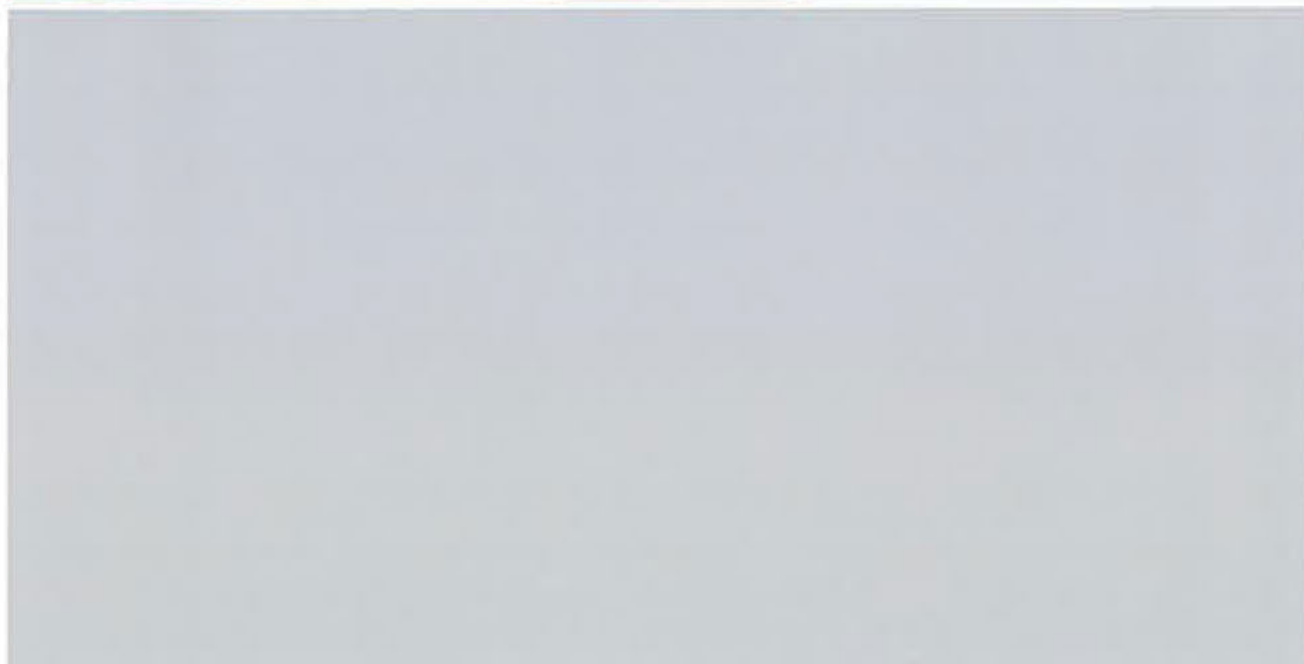
cc: Mr Ian Smith, Party Agent

# Compliance Review Report

Christian Democratic Party (Fred Nile Group)

Kiama Branch

October 2013



**AEC**

Australian Electoral Commission

## Review details

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

AEC review officers: Ralph Fayed  
Paul Lau

Party staff involved: Ian Smith

### Background

Federally registered political parties are required under the *Commonwealth Electoral Act 1918* (the Act) to lodge disclosure returns annually. 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 2010/11 financial year lodged on behalf of the Christian Democratic Party (Fred Nile Group) (the Party) complies with disclosure obligations as set out in the Act.

The AEC selected Kiama Branch (the party unit) as part of the compliance review process.

### Records requested

On 2 November 2012, the AEC issued a notice under s.316(2A) of the Act to the Party Agent requesting a number of records regarding financial activities of the party unit for the 2010/11 financial year including:

1. a list of transactions by account for all accounts in the cash book/general ledger for the 2010/11 financial year;
2. bank statements for all bank accounts including investment/term deposit accounts for the period from 1 July 2010 to 31 July 2011 (13 months);
3. a bank reconciliation statement for the end of the 2010/11 financial year for each bank account held;
4. financial statements for the 2010/11 financial year, where applicable;
5. a copy of the party unit's disclosure return lodged with the Party's Head Office, where applicable; and
6. the name, address, contact phone number and email address of the party unit official responsible for the above listed documents.

## Records provided

On 30 November 2012, in response to the s.316(2A) notice the AEC received the following documents:

1. a list of receipts and payments produced by the party unit for the 2010/11 financial year;
2. bank statements for <sup>6</sup> [REDACTED] for the period from 30 June 2010 to 29 July 2011; and
3. a bank reconciliation statement for the 30 June 2011, for Westpac bank account number 15-4160.

## Review findings

The AEC did not identify any discrepancies between the amounts reported by the Party's Head Office and the records provided, by the Party.

The AEC calculated the total receipts and total payments based on the amounts reported in the bank statements provided, which reconciled with the respective amounts reported in the manual cash book. This indicated that all transactions passed through the bank account.

The table below provides a comparison of the total amounts reported to the Party's Head Office with the respective amounts calculated by the AEC from records provided, by the Party.

| Kiama Branch                                | Total receipts  | Total payments |
|---|-----------------|----------------|
|   | \$              | \$             |
| <b>Disclosure to Party's Head Office</b>    | <b>1,278.77</b> | <b>585.67</b>  |
| Bank statements for <sup>6</sup> [REDACTED] | 1,278.77        | 585.67         |
| <i>Less: Intra-party transactions</i>       | 0.00            | 0.00           |
| <b>Total AEC calculated bank &amp; cash</b> | <b>1,278.77</b> | <b>585.67</b>  |
| <b>Disclosure difference</b>                | <b>0.00</b>     | <b>0.00</b>    |
| Cash book (manual)                          | 1,278.77        | 585.67         |
| <i>Less: Intra-party transactions</i>       | 0.00            | 0.00           |
| <b>Total AEC calculated cash book</b>       | <b>1,278.77</b> | <b>585.67</b>  |
| <b>Disclosure difference</b>                | <b>0.00</b>     | <b>0.00</b>    |

## Matter requiring future action

All original records relating to the party unit's financial activities, such as, bank statements, details of all transactions, deposit books and other relevant supporting documentation should be retained by the party unit to provide evidence that disclosure obligations under the Act have been complied with. The AEC recommends a retention period of at least three years.

The records reviewed are the records of the Party rather than of the person/s handling them. Therefore, outgoing treasurers of the party unit should ensure that all relevant records are forwarded to the new treasurer.

The records retained must be accurate and complete to enable the party unit and, subsequently, the Party's Head Office to support disclosures made in the return on behalf of the entire Party.

### Enquiries and assistance

Should any assistance be required regarding 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).





Reference: Fad6652-04/66

Mr Ian Smith  
Treasurer  
9 Exeter Road  
HOMEBUSH WEST NSW 2140

Dear Mr Smith

I am writing to provide you with a copy of our compliance review report of the Miranda Branch. The Branch review formed part of a wider review of the 2010/11 disclosure return lodged by the Christian Democratic Party (Fred Nile Group) with the Australian Electoral Commission.

I would like to thank you for your assistance during the review. The enclosed report outlines details of our findings and matters for your future action.

Should you have any questions regarding the compliance review process or any other issues regarding disclosure obligations under the Act, please do not hesitate to contact me by telephone on (02) 6271 4513 or by email at [fad@aec.gov.au](mailto:fad@aec.gov.au).

Yours sincerely

Ralph Fayed  
Assistant Director  
Funding and Disclosure – Compliance

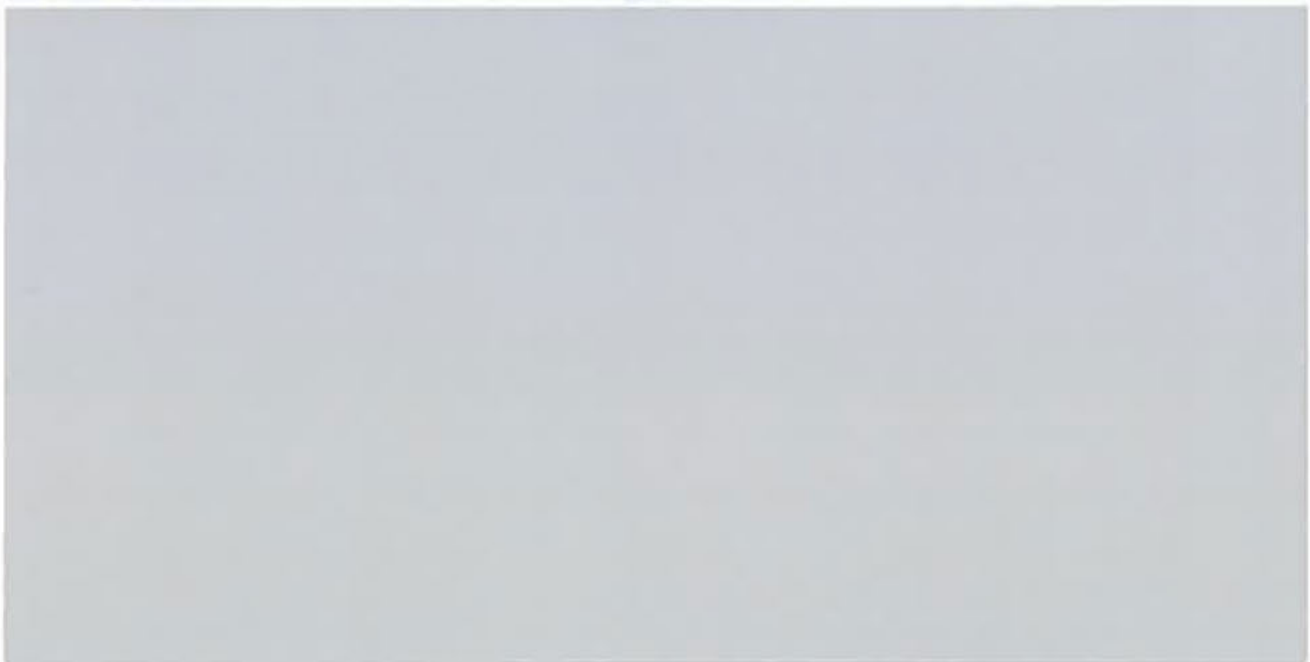
9. October 2013

# Compliance Review Report

Christian Democratic Party (Fred Nile Group)

Miranda Branch

October 2013



**AEC**

Australian Electoral Commission

## Review details

|                       |  |
|-----------------------|--|
| Location of review:   | Australian Electoral Commission<br>West Block, Queen Victoria Terrace<br>PARKES ACT 2600 |
| AEC review officers:  | Ralph Fayed<br>Paul Lau  |
| Party staff involved: | Ian Smith  |

## Background

Federally registered political parties are required under the *Commonwealth Electoral Act 1918* (the Act) to lodge disclosure returns annually. 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 2010/11 financial year lodged on behalf of the Christian Democratic Party (Fred Nile Group) (the Party) complies with disclosure obligations as set out in the Act.

The AEC selected Miranda Branch (the party unit) as part of the compliance review process.

## Records requested

On 2 November 2012, the AEC issued a notice under s.316(2A) of the Act to the Party Agent requesting a number of records regarding financial activities of the party unit for the 2010/11 financial year including:

1. a list of transactions by account for all accounts in the cash book/general ledger for the 2010/11 financial year;
2. bank statements for all bank accounts including investment/term deposit accounts for the period from 1 July 2010 to 31 July 2011 (13 months);
3. a bank reconciliation statement for the end of the 2010/11 financial year for each bank account held;
4. financial statements for the 2010/11 financial year, where applicable;
5. a copy of the party unit's disclosure return lodged with the Party's Head Office, where applicable; and
6. the name, address, contact phone number and email address of the party unit official responsible for the above listed documents.

## Records provided

On 30 November 2012, in response to the s.316(2A) notice the AEC received the following documents:

1. bank statements for Westpac bank account number 21-2511 for the period from 30 June 2010 to 29 July 2011; and
2. a party unit compliance questionnaire completed and signed by the party agent confirming the activities of party unit in the 2010/11 financial year.

## Review findings

The AEC was able to confirm that the party unit recorded no financial activity through its <sup>6</sup> [REDACTED], in the 2010/11 financial year. The party agent also completed and signed a questionnaire stating that the party unit had no activity during the financial year 2010/11.

The table below provides a comparison of the total amounts reported to the Party's Head Office with respective amounts calculated by the AEC from records provided, by the Party.

| Miranda Branch                              | Total receipts | Total payments |
|---|----------------|----------------|
|   | \$             | \$             |
| <b>Disclosure to Party's Head Office</b>    | <b>0.00</b>    | <b>0.00</b>    |
| Bank statements for <sup>6</sup> [REDACTED] | 0.00           | 0.00           |
| <i>Less: Intra-party transactions</i>       | 0.00           | 0.00           |
| <b>Total AEC calculated bank &amp; cash</b> | <b>0.00</b>    | <b>0.00</b>    |
| <b>Disclosure difference</b>                | 0.00           | 0.00           |
| <br>  |                |                |
| No cash book/general ledger maintained      | 0.00           | 0.00           |
| <i>Less: Intra-party transactions</i>       | 0.00           | 0.00           |
| <b>Total AEC calculated cash book</b>       | <b>0.00</b>    | <b>0.00</b>    |
| <b>Disclosure difference</b>                | 0.00           | 0.00           |

## Matter requiring future action

All original records relating to the party unit's financial activities, such as, bank statements, details of all transactions, deposit books and other relevant supporting documentation should be retained by the party unit to provide evidence that disclosure obligations under the Act have been complied with. The AEC recommends a retention period of at least three years.

The records reviewed are the records of the Party rather than of the person/s handling them. Therefore, outgoing treasurers of the party unit should ensure that all relevant records are forwarded to the new treasurer.

The records retained must be accurate and complete to enable the party unit and, subsequently, the Party's Head Office to support the disclosures made in the return on behalf of the entire Party.

### Enquiries and assistance

Should any assistance be required regarding 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).



Reference: Fad6653-04/66

Mr Ian Smith  
Treasurer  
9 Exeter Road  
HOMEBUSH WEST NSW 2140

Dear Mr Smith

I am writing to provide you with a copy of our compliance review report of the Robertson Branch. The Branch review formed part of a wider review of the 2010/11 disclosure return lodged by the Christian Democratic Party (Fred Nile Group) with the Australian Electoral Commission.

I would like to thank you for your assistance during the review. The enclosed report outlines details of our findings and matters for your future action.

Should you have any questions regarding the compliance review process or any other issues regarding disclosure obligations under the Act, please do not hesitate to contact me by telephone on (02) 6271 4513 or by email at [fad@aec.gov.au](mailto:fad@aec.gov.au).

Yours sincerely

Ralph Fayed  
Assistant Director  
Funding and Disclosure – Compliance

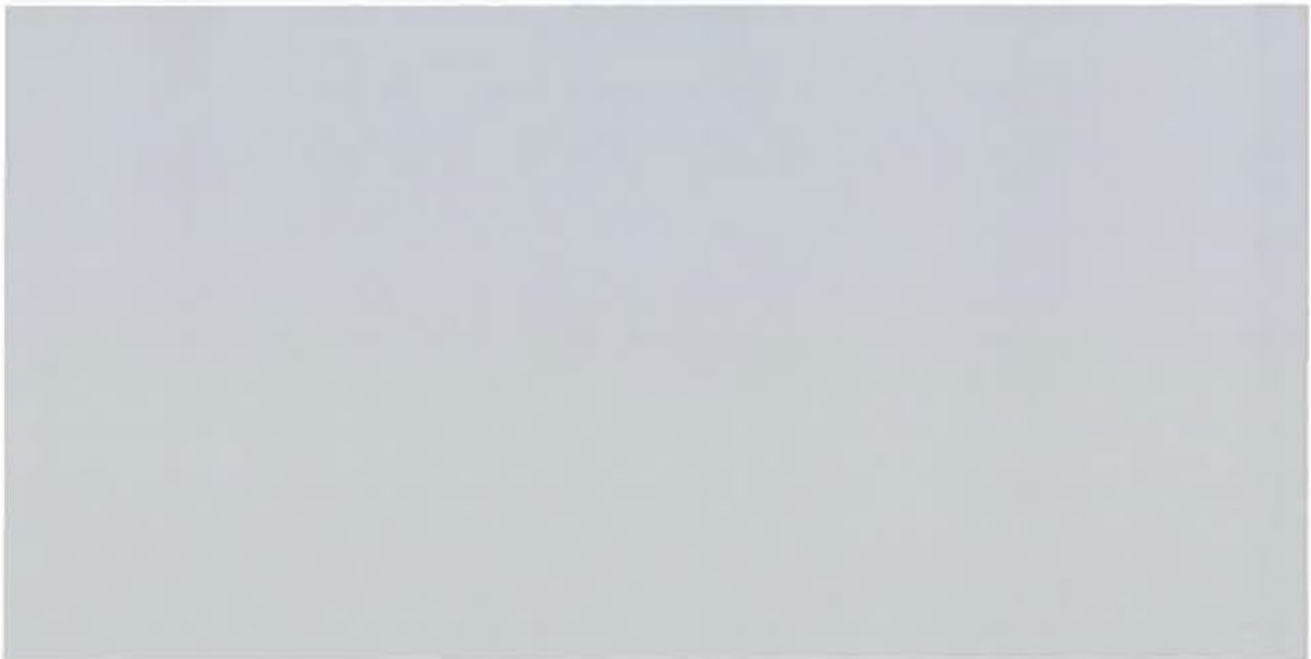
9. October 2013

# Compliance Review Report

Christian Democratic Party (Fred Nile Group)

Robertson Branch

October 2013



**AEC**

Australian Electoral Commission

## Review details

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

AEC review officers: Ralph Fayed  
Paul Lau

Party staff involved: Ian Smith

## Background

Federally registered political parties are required under the *Commonwealth Electoral Act 1918* (the Act) to lodge disclosure returns annually. 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 2010/11 financial year lodged on behalf of the Christian Democratic Party (Fred Nile Group) (the Party) complies with disclosure obligations as set out in the Act.

The AEC selected Robertson Branch (the party unit) as part of the compliance review process.

## Records requested

On 2 November 2012, the AEC issued a notice under s.316(2A) of the Act to the Party Agent requesting a number of records regarding financial activities of the party unit for the 2010/11 financial year including:

1. a list of transactions by account for all accounts in the cash book/general ledger for the 2010/11 financial year;
2. bank statements for all bank accounts including investment/term deposit accounts for the period from 1 July 2010 to 31 July 2011 (13 months);
3. a bank reconciliation statement for the end of the 2010/11 financial year for each bank account held;
4. financial statements for the 2010/11 financial year, where applicable;
5. a copy of the party unit's disclosure return lodged with the Party's Head Office, where applicable; and
6. the name, address, contact phone number and email address of the party unit official responsible for the above listed documents.



## Records provided

On 30 November 2012, in response to the s.316(2A) notice the AEC received the following documents:

1. a system generated list of deposits and withdrawals produced by the party unit for the 2010/11 financial year;
2. a list of income and expenditure produced by the party unit for the 2010/11 financial year;
3. bank statements for <sup>6</sup> [REDACTED] for the period from 31 December 2010 to 31 July 2011; and
4. a bank reconciliation statement as at 30 June 2011, for the Baptist Financial Services Credit Union, for account number 100009754.

## Review findings

The AEC did not identify any discrepancies between the amounts reported by the Party's Head Office and the records provided, by the Party.

The AEC calculated the total receipts and total payments based on the amounts reported in the manual cash book provided. Bank statements were available for the last half of the 2010/11 financial year and were used to reconcile the cash book for that period. The cash book in total validated the amounts reported to the Party's Head Office.

The table below provides a comparison of the total amounts reported to the Party's Head Office with the respective amounts calculated by the AEC from records provided, by the Party.

| Robertson Branch   | Total receipts  | Total payments  |
|--|-----------------|-----------------|
|  | \$              | \$              |
| <b>Disclosure to Party's Head Office</b>                   | <b>6,844.47</b> | <b>7,750.70</b> |
| Bank statements for account number <sup>6</sup> [REDACTED] | 6,748.27        | 7,654.50        |
| <i>Add: Cash not banked*</i>                               | 96.20           | 96.20           |
| <i>Less: Intra-party transactions</i>                      | 0.00            | 0.00            |
| <b>Total AEC calculated bank &amp; cash</b>                | <b>6,844.47</b> | <b>7,750.70</b> |
| <b>Disclosure difference</b>                               | <b>0.00</b>     | <b>0.00</b>     |
| Cash book/general ledger                                   | 6,844.47        | 7,750.70        |
| <i>Less: Intra-party transactions</i>                      | 0.00            | 0.00            |
| <b>Total AEC calculated cash book</b>                      | <b>6,844.47</b> | <b>7,750.70</b> |
| <b>Disclosure difference</b>                               | <b>0.00</b>     | <b>0.00</b>     |

\* - On 14/11/2010 \$170 in donations were collected, of which \$96.20 was paid out in cash for luncheon expenses. The residual amount of \$73.80 was banked on 17/11/2010. The full receipt and full payment appear in the cash book. However, only the residual amount was deposited into the bank account.

## Matter requiring future action

All original records relating to the party unit's financial activities, such as, bank statements, details of all transactions, deposit books and other relevant supporting documentation should be retained by the party unit to provide evidence that disclosure obligations under the Act have been complied with. The AEC recommends a retention period of at least three years.

The records reviewed are the records of the Party rather than of the person/s handling them. Therefore, outgoing treasurers of the party unit should ensure that all relevant records are forwarded to the new treasurer.

The records retained must be accurate and complete to enable the party unit and, subsequently, the Party's Head Office to support the disclosures made in the return on behalf of the entire Party.

## Enquiries and assistance

Should any assistance be required regarding 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).



Reference: Fad6654-04/66

1

Treasurer

4

Dear 1

I am writing to provide you with a copy of our compliance review report of the Victorian Inc. Branch. The Branch review formed part of a wider review of the 2010/11 disclosure return lodged by the Christian Democratic Party (Fred Nile Group) with the Australian Electoral Commission.

I would like to thank you for your assistance during the review. The enclosed report outlines details of our findings and matters for your future action.

Should you have any questions regarding the compliance review process or any other issues regarding disclosure obligations under the Act, please do not hesitate to contact me by telephone on (02) 6271 4513 or by email at [fad@aec.gov.au](mailto:fad@aec.gov.au).

Yours sincerely

Ralph Fayed  
Assistant Director  
Funding and Disclosure – Compliance

9. October 2013

cc: Mr Ian Smith, Party Agent

# Compliance Review Report

Christian Democratic Party (Fred Nile Group)

Victoria Inc. Branch

October 2013



**AEC**  
Australian Electoral Commission

## Review details

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

AEC review officers: Ralph Fayed  
Paul Lau

Party staff involved: Ian Smith

## Background

Federally registered political parties are required under the *Commonwealth Electoral Act 1918* (the Act) to lodge disclosure returns annually. 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 2010/11 financial year lodged on behalf of the Christian Democratic Party (Fred Nile Group) (the Party) complies with disclosure obligations as set out in the Act.

The AEC selected Victoria Inc. Branch (the party unit) as part of the compliance review process.

## Records requested

On 2 November 2012, the AEC issued a notice under s.316(2A) of the Act to the Party Agent requesting a number of records regarding financial activities of the party unit for the 2010/11 financial year including:

1. a list of transactions by account for all accounts in the cash book/general ledger for the 2010/11 financial year;
2. bank statements for all bank accounts including investment/term deposit accounts for the period from 1 July 2010 to 31 July 2011 (13 months);
3. a bank reconciliation statement for the end of the 2010/11 financial year for each bank account held;
4. financial statements for the 2010/11 financial year, where applicable;
5. a copy of the party unit's disclosure return lodged with the Party's Head Office, where applicable; and
6. the name, address, contact phone number and email address of the party unit official responsible for the above listed documents.

## Records provided

On 30 November 2012, in response to the s.316(2A) notice the AEC received the following documents:

1. an Excel spread-sheet list of income and expenses produced by the party unit for the 2010/11 financial year;
2. an Excel statement of income and expenditure produced by the party unit for the 2010/11 financial year;
3. an excerpt from a prepared financial statement titled the *Income and Expenditure Statement* for the year ended 30 June 2011; and
4. bank statements for<sup>6</sup> [REDACTED] and<sup>6</sup> [REDACTED] for the period from 1 July 2010 to 30 June 2011.

## Review findings

The AEC identified discrepancies between the amounts reported by the Party's Head Office and the records provided, by the Party.

The AEC calculated the total receipts and total payments based on the amounts reported in bank statements provided, which reconciled with the respective amounts reported in the cash book. This indicated that all cash transactions passed through the bank accounts.

To satisfy disclosure requirements under the Act, the Party and its party units must account for all transactions that result in receipts from, and/or payments to, external bodies, whether made by cash or through a bank account. These transactions would include payments due to asset purchases and receipts from loans taken out during the relevant financial year. These amounts would also be inclusive of any taxes and charges such as 'Goods and Services Tax' (GST). Further, no netting-off of either receipts or payments against each other should be undertaken, such as in the case of fund raising events.

Accordingly, receipts and payments required for disclosure purposes under the Act do not embrace the accrual concepts of 'total revenue' and 'total expenditure' embodied in profit and loss statements. Further, the profit and loss statements are usually net of GST.

However, it was noted that the amounts disclosed for total receipts and total payments were the same as the 'total revenue' and 'total expenditure' amounts as stated in the Party's *Income and Expenditure Statements*, for the year ended 30 June 2011.

Internal transfers were correctly noted in the cash book and identified in the relevant bank statements. Such transactions should be eliminated from the calculation of total receipts and total payments to avoid incorrectly inflating amounts reported in the disclosure return.

The table below provides a comparison of the total amounts reported to the Party's Head Office with the respective amounts calculated by the AEC from records provided, by the Party.

| Victoria Inc.                               | Total receipts    | Total payments    |
|---|-------------------|-------------------|
|   | \$                | \$                |
| <b>Disclosure to Party's Head Office</b>    | <b>35,859.00</b>  | <b>45,027.00</b>  |
| Bank statements for [REDACTED]              | 50,882.95         | 50,810.88         |
| <i>Less: Intra-party transactions</i>       | <i>-10,500.00</i> | <i>-2,050.00</i>  |
| Bank statements for [REDACTED]              | 50.23             | 10,500.00         |
| <i>Less: Intra-party transactions</i>       | <i>-50.00</i>     | <i>-10,500.00</i> |
| Bank statements for [REDACTED]              | 7,307.28          | 5,512.83          |
| <i>Less: Intra-party transactions</i>       | <i>-2,000.00</i>  | 0.00              |
| <b>Total AEC calculated bank &amp; cash</b> | <b>45,690.46</b>  | <b>54,273.71</b>  |
| <b>Disclosure difference</b>                | <b>9,831.46</b>   | <b>9,246.71</b>   |
| Cash book                                   | 58,240.46         | 66,823.71         |
| <i>Less: Intra party transactions</i>       | <i>-12,550.00</i> | <i>-12,550.00</i> |
| <b>Total AEC calculated cash book</b>       | <b>45,690.46</b>  | <b>54,273.71</b>  |
| <b>Disclosure difference</b>                | <b>9,831.46</b>   | <b>9,246.71</b>   |

## Matter requiring future action

All original records relating to the party unit's financial activities, such as, bank statements, details of all transactions, deposit books and other relevant supporting documentation should be retained by the party unit to provide evidence that disclosure obligations under the Act have been complied with. The AEC recommends a retention period of at least three years.

The records reviewed are the records of the Party rather than of the person/s handling them. Therefore, outgoing treasurers of the party unit should ensure that all relevant records are forwarded to the new treasurer.

The records retained must be accurate and complete to enable the party unit and, subsequently, the Party's Head Office to support the disclosures made in the return on behalf of the entire Party.

## Enquiries and assistance

Should any assistance be required regarding 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).



Reference: Fad6655-04/66

1

Treasurer

4

Dear 1

I am writing to provide you with a copy of our compliance review report of the Wagga Wagga Branch. The Branch review formed part of a wider review of the 2010/11 disclosure return lodged by the Christian Democratic Party (Fred Nile Group) with the Australian Electoral Commission.

I would like to thank you for your assistance during the review. The enclosed report outlines details of our findings and matters for your future action.

Should you have any questions regarding the compliance review process or any other issues regarding disclosure obligations under the Act, please do not hesitate to contact me by telephone on (02) 6271 4513 or by email at [fad@aec.gov.au](mailto:fad@aec.gov.au).

Yours sincerely

Ralph Fayed  
Assistant Director  
Funding and Disclosure – Compliance

9. October 2013

cc: Mr Ian Smith, Party Agent

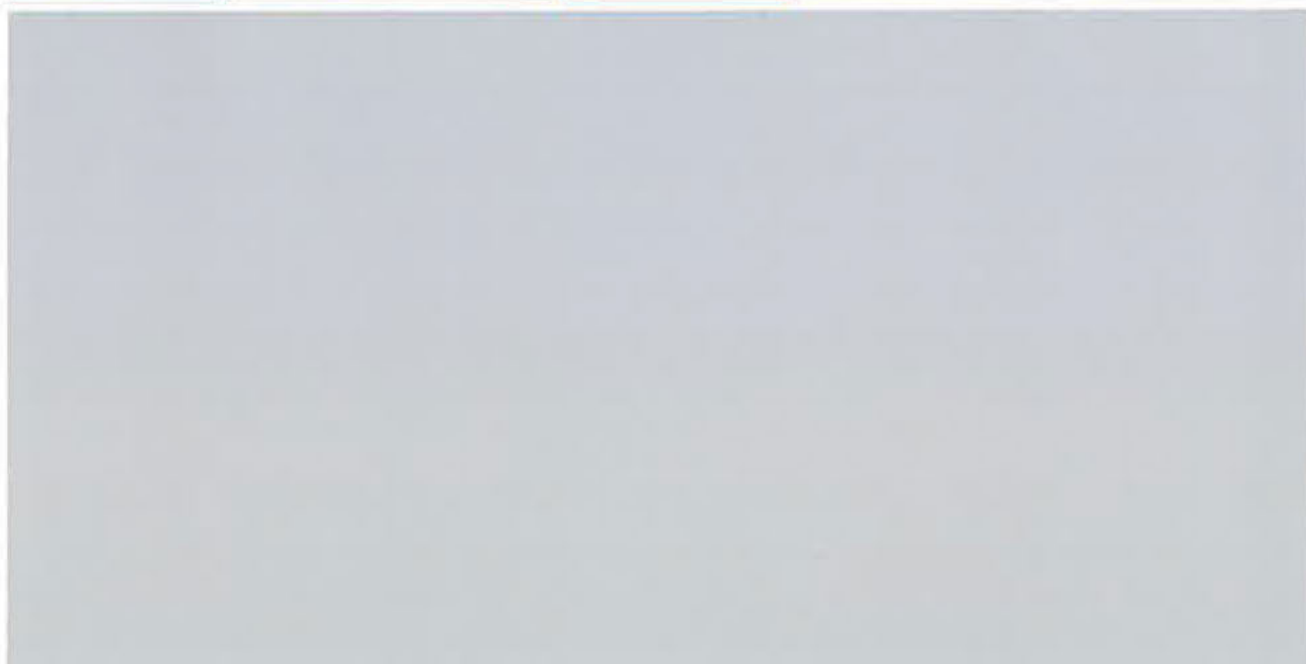


# Compliance Review Report

Christian Democratic Party (Fred Nile Group)

Wagga Wagga Branch

October 2013



**AEC**

Australian Electoral Commission

## Review details

|                       |  |
|-----------------------|--|
| Location of review:   | Australian Electoral Commission<br>West Block, Queen Victoria Terrace<br>PARKES ACT 2600 |
| AEC review officers:  | Ralph Fayed<br>Paul Lau  |
| Party staff involved: | Ian Smith  |

## Background

Federally registered political parties are required under the *Commonwealth Electoral Act 1918* (the Act) to lodge disclosure returns annually. 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 2010/11 financial year lodged on behalf of the Christian Democratic Party (Fred Nile Group) (the Party) complies with disclosure obligations as set out in the Act.

The AEC selected Wagga Wagga Branch (the party unit) as part of the compliance review process.

## Records requested

On 2 November 2012, the AEC issued a notice under s.316(2A) of the Act to the Party Agent requesting a number of records regarding financial activities of the party unit for the 2010/11 financial year including:

1. a list of transactions by account for all accounts in the cash book/general ledger for the 2010/11 financial year;
2. bank statements for all bank accounts including investment/term deposit accounts for the period from 1 July 2010 to 31 July 2011 (13 months);
3. a bank reconciliation statement for the end of the 2010/11 financial year for each bank account held;
4. financial statements for the 2010/11 financial year, where applicable;
5. a copy of the party unit's disclosure return lodged with the Party's Head Office, where applicable; and
6. the name, address, contact phone number and email address of the party unit official responsible for the above listed documents.

## Records provided

On 30 November 2012, in response to the s.316(2A) notice the AEC received the following documents:

1. an Excel list of income and expenditure produced by the party unit for the 2010/11 financial year; and
2. bank statements for <sup>6</sup> [REDACTED] and <sup>6</sup> [REDACTED], for the period from 30 June 2010 to 29 July 2011.

## Review findings

The AEC identified discrepancies between the amounts reported by the Party's Head Office and the records provided, by the Party.

The AEC calculated the total receipts and total payments based on the amounts reported in the bank statements. Once those amounts not passing through the bank accounts were included, reconciliation was obtained with the cash book.

The Party appeared to have eliminated from both total receipts and total payments an amount of \$750.00. This amount related to a payment made to S. Mulholland for campaign expenses, made via cheque number 2000050, dated 07/08/2010. The cheque was not cashed and was subsequently treated as a donation on 04/09/2010.

To satisfy disclosure requirements under the Act, the Party and its party units must account for all transactions that result in receipts from, and/or payments to, external bodies, whether made by cash or through a bank account. These transactions would include payments due to asset purchases and receipts from loans taken out during the relevant financial year. These amounts would also be gross of any taxes and charges such as '*Goods and Services Tax*' (GST). Further, no netting-off of either receipts or payments against each other should be undertaken, such as in the case of fund raising events or where payments made by the Party are subsequently repaid as donations.

The table below provides a comparison of the total amounts reported to the Party's Head Office with the respective amounts calculated by the AEC from records provided, by the Party.

| Wagga Wagga Branch  | Total receipts  | Total payments  |
|---|-----------------|-----------------|
|   | \$              | \$              |
| <b>Disclosure to Party's Head Office</b>  | <b>1,309.56</b> | <b>1,966.35</b> |
| Bank statements for <sup>6</sup>  | 924.56          | 1,581.35        |
| <i>Less: Intra-party transactions</i>   | 0.00            | 0.00            |
| Bank statements for WBC account number 17-6506  | 0.00            | 0.00            |
| <i>Add: Cash transactions not passing through the bank accounts -</i>   |                 |                 |
| - Mulholland campaign expenses cheque number 2000050 repaid as donation.  | 750.00          | 750.00          |
| - Cash collected for Vicki Jason's visit, paid out (i.e. \$388.40 collected, \$385 paid out and \$3.40 banked). | 385.00          | 385.00          |
| <i>Less: Intra-party transactions</i>   | 0.00            | 0.00            |
| <b>Total AEC calculated bank &amp; cash</b>   | <b>2,059.56</b> | <b>2,716.35</b> |
| <b>Disclosure difference</b>  | <b>750.00</b>   | <b>750.00</b>   |
| Cash book   | 2,059.56        | 2,716.35        |
| <i>Less: Intra-party transactions</i>   | 0.00            | 0.00            |
| <b>Total AEC calculated cash book</b>   | <b>2,059.56</b> | <b>2,716.35</b> |
| <b>Disclosure difference</b>  | <b>750.00</b>   | <b>750.00</b>   |

## Matter requiring future action

All original records relating to the party unit's financial activities on behalf of the Party such as bank statements, details of all transactions, deposit books and other relevant supporting documentation should be retained by the party unit to provide evidence that disclosure obligations under the Act have been complied with. The AEC recommends that a retention period of at least three years would be appropriate.

The records reviewed are the records of the Party rather than of the person/s handling them. Therefore, outgoing treasurers of the party unit should ensure that all relevant records are forwarded to the new treasurer.

The records retained must be accurate and complete to enable the party unit and, subsequently, the Party's Head Office to support the disclosures made in the return on behalf of the entire Party.

## Enquiries and assistance

Should any assistance be required regarding 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).

## **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.