

# Compliance Investigation Report

United Firefighters Union of Australia (WA Branch)

April 2015



**AEC**  
Australian Electoral Commission

## Contents

<b>Compliance investigation details</b> .....	<b>2</b>
Purpose of the investigation .....	2
Disclosure obligations .....	2
Scope of the investigation .....	3
Records examined .....	3
<b>Investigation Findings: Overview</b> .....	<b>4</b>
<b>Conclusion</b> .....	<b>5</b>

# Compliance investigation details

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

AEC compliance officers: Mary-Ann Waters – Assistant Director  
Brad Edgman – Director

Party staff involved: Mr Kevin Jolly – Secretary  
Mrs Mary Ellen O'Neill – Office Manager

## Purpose of the investigation

The purpose of the compliance investigation was to assess whether the disclosure return for the 2012-13 financial year lodged on behalf of the United Firefighters Union of Australia (WA Branch) (the Entity) complies with disclosure obligations as set out in Part XX of the *Commonwealth Electoral Act 1918* (the Act).

The Australian Electoral Commission (AEC) has power under s.316(2A) of the Act to review records and gather relevant information to assess whether the disclosure obligations have been met. Section 316(2A) requires any officer of the union to produce documents requested in a notice from the AEC within the period and in the manner specified in the notice.

## Disclosure obligations

Registered political parties and associated entities are required under the provisions of the Act to lodge annual disclosure returns. The disclosure obligation is to disclose accurately and report, as required under s.314AEA of the Act, after the end of each financial year:

- the total amount received by, or on behalf of, the party;
- the total amount paid by, or on behalf of, the party; and
- the total outstanding amount of all debts incurred by or on behalf of, the party.

Section 314AC of the Act further 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 threshold, the return must include the particulars of that sum.

Similarly s.314AE of the Act provides that if the sum of all outstanding debts incurred by, or on behalf of, the associated entity to a person or an organisation during a financial year is more than the threshold, the return must include the particulars of that sum.

## Scope of the investigation

The AEC's investigation was limited to those financial records held by the associated entity that were considered to be relevant and sufficient to determine the completeness and accuracy of the information disclosed in the Entity's return. Under the Act the AEC does not have specific authority to, and did not, examine any other aspects of the Entity's financial operations such as the existence or effectiveness of internal controls.

The AEC's investigated the extent to which the financial information reported in all parts of the Entity's disclosure return was complete and accurate. As part of this process, the AEC issued one notice to the official under s.316(2A):

The Official responded to each notice by the due date providing the full set of records specified in the notice.

## Records examined

The key financial records requested from the Associated Entity included:

- bank statements for all bank accounts;
- transaction reports for all accounts from the Associated Entity's accounting system;
- audited financial statements; and
- working papers supporting financial disclosures made by the Entity in its disclosure return.

# Investigation Findings: Overview

## Review findings

### Lodgement requirement

Section 314AEA(1) of the Act requires if an entity is an associated entity at any time during a financial year, the entity's financial controller must furnish a return to the Electoral Commission, in the approved form, within 16 weeks after the end of the financial year, which for the 2012-13 financial year was 20 October 2013.

The 2012-13 return from of the United Firefighters Union of Australia (WA Branch) was not received by the AEC until 28 November 2013, one month past the required due date. The maximum penalty for such a breach is \$1000.

### Total receipts, payments and debts

Section 314AEA(1)(a) of the Act requires the financial controller of an associated entity to report the total amount received by, or on behalf of, the entity during the financial year. Similarly, s.314AEA(1)(b) of the Act requires the financial controller of an associated entity to report the total amount paid, for or on behalf of, the entity during the financial year. These transactions must be reported on a gross basis inclusive of GST.

Section 314AB(2)(c) of the Act requires the financial controller of an associated entity to report the total outstanding amount as at the end of the financial year of all debts incurred by, or on behalf of, the entity.

The review did not identify any discrepancies between the total amount of receipts, payments and debts reported in the disclosure return and the documentation provided by the Entity. The records examined provided sufficient and appropriate evidence to support the total amounts reported in the disclosure return.

### 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, an entity from a person or organisation during the 2012–13 financial year of more than \$12 100.

In calculating the sum, an amount of \$12 100 or less need not be counted (s.314AC(2)).

The review did not identify any discrepancies between the information contained in the disclosure return regarding receipts above the disclosure threshold and the documents examined.

## Compliance in future disclosure returns

The following matter needs to be addressed before lodgement of disclosure returns in the future.

### Accuracy of reporting – consolidation of financial information

To ensure more accurate reporting of the total figures in the disclosure return, the Entity must ensure figures reported for the totals of receipts and payments amounts are adjusted for any internal transactions between bank accounts to avoid double-counting and over-disclosure.

It was confirmed with the Entity that the Annual dinner fund account is a social club account. Whilst s314AEA(1)(a) and s314AEA(1)(b) the Act requires the disclosure of the totals of amounts received paid by the Entity, there is no requirement to disclose the social club account as it is.

## Conclusion

Based on the records examined, the disclosure return lodged for the United Firefighters Union of Australia (WA Branch) for the 2012-13 financial year appears to be compliant with the disclosure obligations under the Act.

### Enquiries and Assistance

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