

AUDIT REQUIREMENTS FOR REGISTERED POLITICAL PARTIES AND ASSOCIATED ENTITIES

This fact sheet relates to registered political parties and associated entities involved in State elections and by-elections.

Periodic returns

Periodic returns cover 6-month periods, ending on 31 December and 30 June each year. The due dates for the periodic returns are then **8 weeks** after the end of the reporting period.

Registered political parties and associated entities are required to provide an audit certificate with their periodic returns, and election summary returns after an election.

Election summary returns and periodic returns must be also accompanied by a bank statement covering the full period. Bank statements will not be published.

Audit certificates

Under section 310 of the Electoral Act 1992 (the Act), periodic returns must be accompanied by an audit certificate.

An auditor who provides an audit certificate for a return must not be, nor have ever been, a member of a political party (under section 197 of the Act) and must have the following qualifications:

- registration as an auditor under the Corporations Act; or
- membership of CPA Australia Ltd ACN 008 392 452 and an entitlement to use the letters 'CPA' or 'FCPA'; or
- membership of the Institute of Public Accountants Ltd ACN 004 130 643 and an entitlement to use the letters 'MPA' or 'FIPA'; or membership of Chartered Accountants Australia and New Zealand ARBN 084 642 571 and an entitlement to use the letters 'CA' or 'FCA'.

The audit certificate must state:


- that the auditor was given full and free access at all reasonable times to the records related to the accounts and documents of the agent responsible for giving the return and of the party, elected member or candidate that are to be disclosed in the return; and
- the auditor examined the relevant accounts and documents that the auditor considered material for giving the certificate; and
- the auditor received all the information and explanations the auditor asked for in relation to any matter required to be stated in the certificate, subject to the qualifications, if any, stated in the certificate; and
- the auditor has no reason to think any statement in the declaration is not correct.

Auditors who become aware of a matter that is reasonably likely to constitute a contravention of Part 11 of Act must give ECQ written notice of that matter within 7 business days. The maximum penalty for contravening this requirement is 100 penalty units (as of 1 July 2020, the value of 1 penalty unit is \$133.45).

Audit waivers

Section 310 of the Act also provides that the ECQ may waive compliance with the requirement to give an audit certificate if the ECQ considers the cost of compliance with the requirement would be unreasonable.

Requests for an audit waiver must be submitted to the ECQ by the entity



responsible for giving the return to which the request relates. Requests for an audit waiver should be submitted via the Electronic Disclosure System. Requests must include an explanation of the reason for the request.

Once submitted, a request for an audit waiver is assessed and the decision to grant an audit waiver, or otherwise, will be communicated to the applicant at the end of the 10 business days.

Please note that an audit waiver can only be granted if the ECQ considers the cost of compliance would be unreasonable. No other grounds provide for a waiver to be granted.

ECQ audit and compliance reviews

The ECQ regularly conducts compliance reviews following an election to monitor and enforce compliance.

Under section 319A of the Act, the ECQ may appoint an auditor to conduct an audit of a participant in an election to review:

- a claim for election funding
- a disclosure return given to the ECQ, or
- the general compliance of a participation with electoral legislation.

Under section 319B of the Act, the election participant must assist an appointed auditor and provide all assistance reasonably required to conduct the audit, including full and free access, at all reasonable times, to all accounts, records and documents reasonably required by the auditor. The maximum penalty for not complying with this requirement is 200 penalty units.

Electoral participants may be contacted up to 5 years after an election to provide information or documentation relating to a disclosure matter. The information and documents provided will be reviewed by the ECQ to assess the level of compliance with disclosure laws. Where instances of non-compliance are detected, the ECQ may undertake further investigation or enforcement action where appropriate.