

## AUDIT REPORT

To the Financial Agent of The Family Party

I have audited the attached Party Election Expense Form 2008 general election (the Return) covering the regulated period, 1 January 2008 to polling day. The Return is required to be prepared in compliance with section 107 of the Electoral Finance Act 2007, and provides information about Party election expenses for The Family Party (the Party).

### Financial Agent's Responsibilities

The Financial Agent is responsible for ensuring that the Electoral Commission receives the return covering the Party's election expenses incurred by the Party during the regulated period (1 January 2008 to polling day).

### Auditor's Responsibilities

It is my responsibility to express an independent opinion on the Return in terms of the requirements of section 107 of the Electoral Finance Act 2007.

### Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the position disclosed in the Return as regards whether or not;

the party's total election expenses exceed the maximum amount as prescribed by section 98 of the Electoral Finance Act, being \$1,220,000, and  
the return is correct

I conducted my audit in accordance with New Zealand auditing standards. I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to obtain reasonable assurance that the position disclosed by the Return is free from material misstatement, whether caused by fraud or error.

Other than in my capacity as auditor I have no relationship with or interest in the Family Party.

### Qualified Opinion

During the course of my work, I noted that under the Electoral Finance Act 2007;

- There is currently uncertainty surrounding what constitutes an election advertisement
- There are difficulties
  - In ensuring how many advertisements exist and how to conclude that all expenses associated with each advertisement are included
  - In establishing the commercial value of materials or advertising provided free of charge
  - In the apportionment of election expenses between individual candidates and the party as a whole
- It is possible that public funds have been used for electioneering.

In these respects alone;

- I have not obtained all the information and explanations that I have required; and
- I was unable to determine whether proper records have been kept of the party's election expenses.

However, I believe the Financial Agent has implemented appropriate controls over election expenditure, to ensure the accuracy of the return. Further, the Financial Agent of the party has as part of the audit process signed a letter of representation in connection with the Return.

Because of the potential effect of the limitation in the evidence available to me, I am unable to form an opinion as to whether the position shown in the Party Election Expense Form 2008 Election

- o does not exceed the maximum amount of \$1,220,000 specified in the Act; and
- o whether the reported figure is correct.

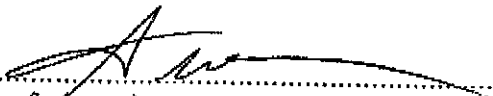
My audit was completed on 27 February 2008 and my qualified opinion is expressed as at that date.

*Nole Irvine*  
Nole Irvine  
Chartered Accountant  
Auckland, NZ




**Statutory declaration by Party Secretary and Financial Agent  
accompanying Party Election Expense Return under the provisions  
of section 106 (2) (a) of the Electoral Finance Act 2007**

I, Anne Williamson, of 17 Robina Court, East Tamaki, Auckland, Party Secretary and Financial Agent of The Family Party, solemnly and sincerely declare that to the best of my knowledge and belief the attached election expense return correctly sets out all the information required to be provided and that a fair assessment has been made of the commercial value of any materials and advertising spaces used in party advertisements.

  
.....  
(Signature of secretary)

Declared at Auckland .....

this 27th day of February, 2009 before

  
.....  
Justice of the Peace, Solicitor or other  
Person authorised to take a statutory  
declaration

**GRAHAM JOHN STEVENS  
SOLICITOR  
AUCKLAND**

### Party Election Expense Form 2008 Election

Party name

The Family Party

Did you contest the party vote? Write yes or no  
Number of electorata candidates

YES  
11

\$ 100,000  
220,000

Expenditure limit (incl GST)

\$ 220,000

#### Summary

Total expenditure returned for each (incl GST)

\$ 87,160.65

Party ads not shared with anyone and conducted entirely within the regulated period

Appportionment of party ads published both within and outside the regulated period

Appportionment of party ads shared with candidates

Appportionment of party ads shared with other parties

Party ads shared with third parties

Total

\$ 87,160.65

Please indicate, write 'Yes' or 'No' in each box

Everything has been included  
All expenses greater than \$100 vouched by bill  
All relevant papers provided to auditor

Please email a copy of this workbook file to [call@elections.govt.nz](mailto:call@elections.govt.nz)

Include a printed copy with the statutory declarations and auditor's report posted to  
Dr Helena Catt, Electoral Commission, PO Box 2050, Wellington 6140, or delivered to  
L5, Featherston House, Cnr Waring Taylor and Featherston Sts, Wellington.

**The Family Party  
Party ads not shared with anyone and conducted entirely within the regulated period  
- 2008 party election expenses component**

**Total cost**

**\$65,997.91**

Itemised Item description (including volume/duration/quality/size as appropriate)	All costs GST incl	production costs \$	publishing costs \$	total costs \$
Destiny Church - flyers copied for distribution in April		300		\$300.00
BDO Marketing - 60 x t-shirts advertising the Party (invoice shared with other tshirts and paid in 3 payments - 29 Jul, 5 Aug and 25 Aug )		1,058		\$1,058.40
Ultimo - design work for newspaper ads for party, plus B&W stickers for Dodge truck. Invoices paid 19 Sept		829		\$829.38
Ad-Vantage Media - Billboard hire on motorway network (over 4 payments; 19 Sept, 1 Oct, 15 Oct and 3 Nov)			33,084	\$33,083.99
OGGI - billboard hire on Airport Motorway			4,613	\$4,612.50
Ultimo - t-shirt redesign, chinese flyer design and various miscellaneous artwork for flyers and posters		1,384		\$1,383.75
Juggernaut - printing onto motorway billboards and confilute for Family Party advertising (2 payments; 15 Oct and 23 Dec)		15,218		\$15,219.88
Ribbons Plus - rosette production 150 units		630		\$630.00
NZ Catholic - Party Vote advert			405	\$405.00
Christian Missionary Resource Centre - 3 x adverts for Family Party (Aug, Sep and Oct)			600	\$600.00
Chinese Herald Group - 8 x ads through Oct and early Nov			1,440	\$1,440.00
Mandarin Pages 8 x ads through Oct and early Nov			1,440	\$1,440.00
Ultimo - various invoices for production costs associated with Party flyers and billboards plus offset printing of same as per invoices		3,977		\$3,976.88

TV CAB - Party TV ad approval	353	\$353.25
Christian Life Korean - Party adverts	203	\$202.50
Ultimo - Grey Power brochure design and print	264	\$264.38
S Dennis - billboard timber (donated; approximated cost)	200	\$200.00



**The Family Party  
Party ads shared with candidate(s)  
- 2008 party election expenses component**

**\$24,162.77**

**Total returned expense for party**

Item description (including volume/duration/quality/size as appropriate)	total costs		total costs number only	% of party coverage (enter %)	returned expense for party
	production costs \$	publishing costs \$			
All costs GST ind					
3A Ltd - combined Party/Candidate flyers copied and cut (5000)	1040		\$1,040.00	50	\$520.00
3A Ltd - combined Party/Candidate flyers copied and cut (8000)	650		\$650.00	50	\$325.00
Destiny Church - flyers trimming (Feb Party and candidate flyers)	33.75		\$33.75	50	\$16.88
Destiny School - extra flyers copying for Feb 50/50 flyers 2761 copies	1363.46		\$1,363.46	50	\$681.73
Ultimo - Design and reproduction of April 50/50 flyers 20,000	2050.88		\$2,050.88	50	\$1,025.44
Ultimo - Design and production of truck signage featuring Party (60%) Jerry (20%) and Richie (20%)	1591.88		\$1,591.88	60	\$955.13
Ultimo - Billboard printing for Party/P Adams billboards	4792.5		\$4,792.50	25	\$1,198.13
Wasabi - corflute for above billboards (Poutua Pepall'i - 25%, Party 75%)	202.5		\$202.50	75	\$151.88
Ultimo - design and layout of various adverts and flyers and billboards for final campaign push. Split of 75/25 with all candidates - part of payment on 5/12/08	3063.39		\$3,063.39	75	\$2,297.54
Ultimo - printing of Family Party/Poutua flyer x 16,000 (75% Party, 25% Poutua)	936.56		\$936.56	75	\$702.42













**PRIVATE & CONFIDENTIAL**

Mr Nole Irvine  
Chartered Accountant  
PO Box 17011  
Greenlane

Dear Nole,

**Letter of Representation for Party Election Expenses Return  
for the 2008 General Election**

This representation letter is furnished in connection with the return of party election expenses for the 2008 general election by The Family Party made in accordance with section 106 of the Electoral Finance Act 2007 which has been audited by you in accordance with section 107 of the Act.

I understand that your audit was conducted in accordance with the relevant provisions of the Act and the Auditing Standards issued by the New Zealand Institute of Chartered Accountants.

I confirm and take responsibility for the following representations after taking all reasonable steps to assure myself of them:

- 1 The return has been prepared in accordance with the relevant provisions of the Act.
- 2 I am responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the return, I have done this, and all explanations or demonstrations of this to you have been complete and accurate.
- 3 All records, documents and accounts have been kept by the Party (including subsidiary entities) and made available to you, and these materials will be retained in accordance with the requirements of the Act.
- 4 I have disclosed to you:
  - 4.1 any material transactions not disclosed in the records;

- 4.2 the existence of all relevant agreements or activities relating to the Party's members of the previous Parliament, electorate candidates, subsidiary or closely connected political entities, third parties (whether listed or not), and other political parties (whether registered or not) or their electorate candidates;
- 4.3 any alleged, suspected or proven illegal activity under the Act or other legislation potentially relevant to the return;
- 4.4 any outstanding disputed claims, matters with authorities, or planned or continuing litigation; and
- 4.5 the fact of, and results from, any assessment made by me that considered whether the records of the Party may be materially misstated or incomplete for any reason.
- 5 The return contains the total returnable election expenses of the party for the 2008 general election whether paid or incurred before, during, or after the regulated period. The return includes all expenses, including apportioned expenses, and irrespective of the source of funds or entity paying for the activities concerned, and irrespective of whether or not a party advertisement contained a promoter statement.
- 6 The return's contents have been determined by considering, in the following sequence, these questions and the relevant provisions of the Act:
- 6.1 Was the activity undertaken by the party secretary or the party financial agent or with their authority? [Section 93, definition of **party activity**, paragraph (a)] (If no, activity is not an election expense.)
- 6.2 If yes ... did the activity constitute **publishing**? [section 4, definition of **publish**; section 93, definition of **party activity**, paragraph (b)] (If no, activity is not an election expense.)
- 6.3 If yes ... was that the publishing of a **party advertisement**? That is, did the activity encourage or persuade, or appear to encourage or persuade, voters to vote for the party, or against another party, or both? [section 4, definition of **party advertisement**; section 93, definition of **party activity**, paragraph (b)] (If no, activity is not an election expense.)
- 6.4 If yes ... was the activity undertaken (or deemed to be undertaken) during the regulated period (from 1 January 2008 to polling day)? [section 4, definition of **regulated period**; section 93, definition of **party activity**, paragraph (c)] (If no, activity is not an election expense.)
- 6.5 Was the activity something done in relation to a member of Parliament in his or her capacity as a member of Parliament? [paragraph 7, below; section 93, definition of **party activity**, paragraph (d)] (If yes, activity is not an election expense.)
- 6.6 If no:
- 6.6.1 What expense was incurred in undertaking the activity? [section 94(1)(a)]

- 6.6.2 What cost was involved in respect of the cost of preparation, design, composition, printing, distribution, postage and publishing of the party advertisement? [section 94(1)(b)(i)]
- 6.6.3 What was the cost of any **material** used for or applied toward the party advertisement? [section 94(1)(b)(ii)]
- 6.6.4 What was the cost of displaying the party advertisement on any **advertising space** on any land or building of a specified kind that is used solely or principally for commercial or industrial purposes? [section 94(1)(b)(iii)]
- 6.6.5 What was the commercial value of any material or advertising space provided free of charge? [section 94(4)]
- 6.6.6 What was the difference between the contract price and the commercial value of any material or advertising space provided at less than commercial value? [section 94(5)]
- 6.7 Do any of the costs identified above fall within any of the expense exceptions? [section 94(2)]
  - 6.7.1 Travel
  - 6.7.2 The conduct of any survey or public opinion poll (other than push-polling)
  - 6.7.3 The labour of any person provided free of charge by that person
  - 6.7.4 Replacement of election materials damaged in circumstances out of the party's control
  - 6.7.5 Electorate candidate expenses of a party candidate
  - 6.7.6 Allocations from the Electoral Commission of time and money for election broadcasting
  - 6.7.7 Publications that relate to a member of Parliament in his or her capacity as a member of Parliament.

If yes, that specific cost is not an election expense.

**If no, that specific cost is an election expense to be included in the return.**

7 When determining that:

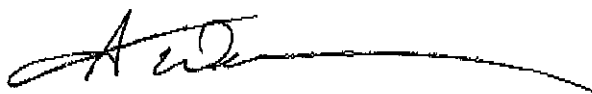
I have considered and applied the Electoral Commission's guidance under the heading *What does capacity as a member of Parliament mean in this context?* on the Elections NZ webpage *Party election expenses and returns* ([www.elections.org.nz/rules/parties/partysub/e5-party-return-expenses.html](http://www.elections.org.nz/rules/parties/partysub/e5-party-return-expenses.html)), and declare that this does not apply to this return.

8 Where an apportionment of election expenses is given in the return:

- the basis of apportionment is appropriate, and has been properly applied and recorded, and
  - the information contained in the Party's return is known to be consistent with that of the Party's electorate candidates or the undertakings of other entities involved in the apportionment included in the records.
- 9 Any and all misstatements you have identified during the course of your audit have been adjusted in the final return.
- 10 I have completed our own procedures, distinct from your audit processes, to evaluate the accuracy and completeness of the return.
- 11 The return is free of any material misstatements or omissions.

These representations are made in terms mutually agreed between us, and to supplement information obtained by you from the records of the Party and to confirm information given to you orally.

Yours sincerely,



Anne Williamson  
Party Secretary  
and Financial Agent

**The Family Party**

TFP HQ, The Hub, Linnet Place, Mangere East, PO Box 43064, Mangere East 2024, Auckland

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