

TURKS AND CAICOS ISLANDS



# 2016 Post General Election Report-PART II

## Campaign Expenditure

*by the TCI Integrity Commission*

**September 2018**

## Executive Summary

This summary and Appendix forms Part II of the Integrity Commission's June 2017 release of the 2016 Post General Election Report, on the Political Financial Activities of the 2016 General Election.

The December 2016 General Election was the second election in the Turks and Caicos Islands for which the Integrity Commission is reporting on Registered Parties and Independent Candidates compliance with spending rules. The Commission's role in monitoring Registered Parties and Independent Candidates compliance with the law, falls under the Political Activities (Amendment) Ordinance 2016 (the Ordinance).

Due to delays as a result of Hurricanes Irma and Maria in 2017 and subsequent demands, the process of examining the submissions of the Treasurers of the Registered Parties, and the ten (10) Independent Candidates, had to be postponed. This exercise has now been completed.

## Timelines

The three Registered Political Parties that put forward candidates at the December election, were required to submit a campaign expenditure return within certain timeframes based on their expenditure. The expenditure returns were required to be submitted to the Commission within three months of the election if their campaign spending was \$250,000 or less, or within six months if their spending was over \$250,000 (in which case an audited report was required). In respect of the December 2016 General Election, the dates for submissions were as follows:

- If campaign spending was \$250,000 or less – **March 15th 2017**
- If campaign spending exceeded \$250,000 – **June 15th 2017**

The Treasurers of the Progressive National Party (PNP) RP001 and the Peoples Democratic Movement (PDM) RP002, confirmed with the Commission in January 2017, that their parties expenditure during the period had exceeded \$250,000, and that they were both submitting all expenses to an Auditor as called for under the Ordinance. Their submissions therefore had to be submitted to the Commission no later than **June 15<sup>th</sup> 2017**.

The Treasurer of Progressive Democratic Alliance (PDA) RP004, confirmed with the Commission in January 2017, that the expenditure of the PDA was below the \$250,000 threshold. As a result, their returns did not have to be audited, and were due to be submitted no later than **March 15<sup>th</sup> 2017**.

As stated above, by virtue of the fact that their campaign expenditure exceeded \$250,000, the PNP and the PDM parties were required to provide a report, prepared by

a qualified auditor, on the campaign expenditure return prepared under Section 47 of the Ordinance. The returns and Auditors reports were duly submitted to the Commission within the allotted time frames.

## Campaign Spending

Spending by Registered Political Parties and Registered Independent Candidates during the election period is regulated by the Ordinance. There was a maximum that each Registered Party or Independent Candidate was allowed to spend. In accordance with Section 46(8) of the Ordinance, the limits for the Parties were as follows:

- \$30,000 in relation to each electoral district contested by the Party (of which there were 10). Total possible \$300,000
- \$40,000 in relation to the each all-island district contested by the Party (of which there were 5). Total possible \$200,000
- \$100,000 in relation to each of the Parties leaders

It was therefore possible for **each Registered Political Party to spend a total of \$600,000** on their respective campaigns during the election period. An overall total spend of **\$1,800,000** for the three parties.

The total expenditure for the three Registered Political Parties, as deduced from the reports submitted by the Treasurers was, **\$818,832.00, or, 45% of the total possible spend for the Registered Political Parties.**

Independent Candidates could contest 'All Island' seats, or, individual 'Constituency' seats. Those candidates who ran as 'All Island' each had a spend limit of \$100,000. Those candidates who ran in a specific 'Constituency' each had a spend limit of \$30,000. Seven (7) Independent Candidates ran 'All Island' campaigns, and three (3) ran in specific 'Constituency' seats. The total spend for all ten (10) Independent Candidates was therefore **\$790,000.**

Independent Candidates were required to submit a weekly record of expenditure incurred by them during the election period, and did so on a weekly basis. Independent Candidates also had until **January 31<sup>st</sup> 2017** to have their final submissions to the Commission.

The Commission received returns from all ten (10) **Independent Candidates**, within the timescales allotted by the Commission. Their total expenditure, deduced from the documents submitted, was relatively modest in comparison to the main political parties,

and totaled **\$102,552, or, 13% of the total possible spend for the Registered Independent Candidates.**

Campaign Expenditure covered various categories including advertising, publicity material, media, political broadcasts, rallies and other events, overheads and general administration. All the Registered Parties and Independent Candidates complied with their timelines for submission.

Based on expenditure receipts submitted to the Commission, a few Independent Candidates appear to have balances of unused 'donations' (cash or non-cash) that they will have to clarify with the Commission.

The Commission reminds all that personal, out of pocket expenditure (self-financing), by an Independent Candidate, was also considered a 'donation' to their campaign.

All Treasurers of the Registered Parties, and Independent Candidates, were informed that once the assessment of their submissions had been completed, in the event that there are variances, they would be contacted by the Commission for clarification. Excess donations on hand, after expenditure, would have to be accounted for. Likewise expenditure that appeared to exceed the reported donations for the election period would have to be clarified.

The amounts below are taken from submissions of the Treasurers of the three (3) Registered Parties, and from the ten (10) Independent Candidates, as total expenditure of their entities, to the best of their knowledge, at the time of submission to the Commission.

<b>Party</b>	<b>Election Period Covered</b>	<b>Total Expenditure</b>	<b>% of total spend by all parties</b>
Peoples Democratic Movement: PDM	October 25 <sup>th</sup> – up to and including 15 <sup>th</sup> December 2016	<b>\$362,205.00</b>	44%
Progressive National Party: PNP	October 25 <sup>th</sup> – up to and including 15 <sup>th</sup> December 2016	<b>\$416,872.00</b>	51%
Progressive Democratic Alliance: PDA	October 25 <sup>th</sup> – up to and including 15 <sup>th</sup> December 2016	<b>\$ 39,755.00</b>	5%
Independents	October 25 <sup>th</sup> -Dec 15th	<b>\$102,552.00</b>	

## Closing Summary

Having completed the analysis of the submissions, the Commission is now in a position to obtain from the Treasurers of the Registered Parties, updates on any supporting documents that may be required. In addition any details to explain any variances between their total donation figure, their Statements of Accounts, and the expenditure amounts gleaned from the documents submitted by them, will have to be explained to the Commission.

The Independent Candidates with variances between their Donations and submitted receipts will also be contacted to clarify the variances.

With many first timers in the Independent Candidate category, the Commission recognizes the responsibility placed on these individuals and the difficulty they face in keeping track of all expenditure and the requisite receipts. We will continue working with those who venture to be Independent Candidates, and to give them the necessary support to produce reports that reflect all expenditure and their accompanying receipts.

The three Treasurers of the Registered Parties have voiced their concerns, and the challenges they face, in managing the hectic process that the General Election Period imposes on them individually. They have also made suggestions on improvements to the system. The Commission recognizes that the Ordinance does place a tremendous responsibility on the Treasurers and assured the Treasurers that the Commission will continue to work along with the persons holding such office and their Registered Parties, on ways to address the concerns raised.

Having said that, however, both Independent Candidates and Treasurers of Registered Parties responded well to the requirements under the Ordinance. There was continuous dialogue with the Commission and returns were submitted within the stipulated timeframes.

The Commission will continue working along with all Registered Political Parties and Independent Candidates on addressing issues raised, learning from our past, adopting best practices, and, most importantly, implementing them going forward, so as to continuously enhance our electoral process for the betterment of the Turks and Caicos Island citizens, and all others who reside amongst us.

**The overall analysis of the Expenditure for the 2016 General Election can be found in Appendix 1 attached.**

*For more information or any queries on this publication, please contact the Commission at [deputydirector@integritycommission.tc](mailto:deputydirector@integritycommission.tc) or [secretary@integritycommission.tc](mailto:secretary@integritycommission.tc);*

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