

Compliance Review Report

Australian Labor Party (Northern Territory Branch)

July 2014



AEC

Australian Electoral Commission

Review details

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

AEC review officers: Mary-Ann Waters
Alan Page

Party staff involved: Mr Kent Rowe

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Background

Registered Political Parties and Associated Entities are required under the provisions of the *Commonwealth Electoral Act 1918* (the Act) to lodge annual disclosure returns. 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 2012-13 financial year lodged on behalf of the Australian Labor Party (Northern Territory Branch) (the Party) complies with disclosure obligations as set out in the Act.

Compliance and cooperation.

The compliance review was conducted under the provisions of the Commonwealth Electoral Act 1918. In accordance with s316 (2A)(c), the party agent of a political party is required to produce the documents requested in the notice within the period and in the manner specified in the notice.

Head Office

During the review, AEC staff examined the financial records of the Party for the 2012-13 financial year. No material omissions were found.

Party Units

The AEC also selected 4 party units from a list of 10 party units provided by the Branch Office to examine the accuracy of the returns that party units lodge with the Branch Office.

Table 1 – Party units selected for review

Name of party unit	Name of party unit
Dickward	Casuarina
Nhulunbuy	Nightcliff

The Party fully complied with the s316(2A) notice in delivering all the requested records to the AEC in advance of the due date.

Matter for future consideration

Party units: reporting to the Head Office

Part of the review process involves an examination of the records to ascertain the consistency of the party units' internal records with those produced by external sources such as banks.

The review examined the records of 4 party units to check completeness and accuracy of their reporting to the Head Office. The key documents examined included:

- copies of bank statements; and
- copies of the party unit financial disclosure returns containing *Receipts and Expenditure Details* lodged with the Party's Head Office.

Our examination of the above records for the 4 selected party units revealed that the disclosures made in their returns adhered to the instructions included in the disclosure forms. However, the review of the party units selected, highlighted issues concerning the instructions provided in the forms that appear to have contributed to imperfect reporting by those party units. To ensure more accurate reporting of the total figures in the disclosure return, the Party must ensure that the reported figures are adjusted for any intraparty transactions. The consolidation process, therefore, should involve the elimination of any transactions that involve movement of funds between:

- bank accounts within the Head Office;
- the Head Office and party units;
- within a party unit if more than one bank account is held; and
- between various party units.

There are indications in the Party's working papers that such adjustments were performed in respect to the movement of funds between the bank accounts within Head office. The

process involving the elimination of the movement of funds between Head Office and party units and between party units needs to be reviewed and refined so that all these transactions are identified and eliminated in the future. While the net discrepancy identified totals less than 4% of the total disclosed by the party units, the actual discrepancy cumulative across all party units could potentially be more significant. To avoid the possibility of future totals being materially overstated/understated, comprehensive and consistent elimination of internal transfers, including those reported by party units, must be performed.

Conclusion

Apart from the matter reported 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.

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.

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.