

Compliance Review Report

John McEwen House Pty Ltd

June 2013



AEC

Australian Electoral Commission

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Review details

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

AEC review officers: Brad Edgman
Anna Jurkiewicz

Entity staff involved: Sue Mitchell

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Background

Federally 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 2011/12 financial year lodged on behalf of John McEwen House Pty Ltd (the Entity) complies with disclosure obligations as set out in the Act.

Compliance and co-operation with the notice

The compliance review of the Entity was conducted under the authority of s.316(2A) of the Act by a notice served on the Entity's financial controller. In accordance with s.316(2A)(c), the financial controller of an associated entity is required to produce the documents requested in the notice within the period and in the manner specified in the notice.

The financial controller of the Entity provided the full set of records in the format specified in the notice by 21 March 2013, four days prior to the deadline set in the notice. The quality of the records and working papers provided was of a high standard.

Review findings

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 reporting 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. The records maintained by the financial controller provided sufficient, 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 2011/12 financial year of more than \$ 11,900.

In calculating the sum, an amount of \$11,900 or less need not be counted (s. 314AC (2)).

The Entity reported four receipts above the disclosure threshold. The review identified that one of the receipts reported as received from Page Research Centre for \$31,680 represents the sum of four amounts. The details of the four amounts are listed in the table below as recorded in the Entity's accounting records.

Table1: Amounts received from Page Research Centre

Description	Date	Amount
Page Research Centre	9/03/12	5,000
Page Research Centre	13/03/12	3,200
Page Research Centre	16/03/12	5,000
Page Research Centre	16/03/12	18,480

While this disclosure is not incorrect, in accordance with s.314AC(2) only individual receipts over the threshold need to be counted for disclosure purposes. However, it should be noted that two or more sums received from the same organisation on the same day, such as the two amounts for \$18,480 and \$5,000 received on 16 March 2012, would normally be treated as a single receipt (i.e. in this case, as a single receipt of \$23,480).

Debts above the disclosure threshold

Section 314AE of the Act provides that if the sum of all outstanding debts, incurred by, or on behalf of, the 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. For the 2011/12 financial year the threshold was the sum of the relevant amounts in excess of \$11,900.

The review did not identify any discrepancies between the amounts outstanding reported in the disclosure return and the documents examined. The transaction records with regard to amounts

above the disclosure threshold contained in the Entity's records were well documented providing sufficient details to support disclosures made in the return.

Conclusion

Based on the records presented nothing has come to our attention that causes us to believe that the Entity has not complied, in all material respects, with its disclosure obligations under the Act.

Enquiries and Assistance

Should the Entity require any assistance regarding its disclosure obligations under the Act, please contact the AEC's Funding and Disclosure Section either by calling us on (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.