

November 2017

Compliance Review Report

National Party of Australia – N.S.W.

Table of Contents

Purpose of this report	2
Disclosure obligations.....	2
Conduct of the review	2
Scope of the review	3
Stakeholder engagement.....	3
Review outcomes	4
1. Timely lodgement.....	4
2. Accuracy in reporting – amendments	4
Matters requiring future action	4
Conclusion.....	5

Purpose of this report

Pursuant to s 316(2A) of the *Commonwealth Electoral Act 1918* (the Electoral Act), this report provides the party agent of the National Party of Australia – N.S.W. (the party) with the Australian Electoral Commission's (AEC) assessment of the level of compliance of the 2015–16 annual disclosure return lodged on behalf of the party with disclosure obligations under s 314AC of the Electoral Act.

Disclosure obligations

Registered political parties and associated entities are required under Part XX of the Electoral Act to furnish returns.

Section 314AB of the Electoral Act requires the party agent of a registered political party to furnish a return within 16 weeks after the end of each financial year, disclosing:

- the total amount received by, or on behalf of, the party, during the financial year, together with the details specified by s 314AC of the Electoral Act;
- the total amount paid by, or on behalf of, the party, during the financial year; and
- the total outstanding amount, as at the end of the financial year, of all debts incurred by or on behalf of, the party, together with the details specified by s 314AE of the Electoral Act.

Section 314AC of the Electoral Act provides that if the sum of all amounts received by, or on behalf of, the party from a person or organisation during a financial year is more than the threshold amount specified therein, the annual disclosure return must include the particulars of that sum.

Section 314AE of the Electoral Act provides that if the sum of all outstanding debts incurred by, or on behalf of, the party to a person or an organisation during a financial year is more than the threshold amount specified therein, the annual disclosure return must include the particulars of that sum.

For the 2015–16 financial year, the threshold was for sums in excess of \$13,000.

The Electoral Act is available in full [here](#)

Conduct of the review

The authorised officer of the AEC has authority under s 316(2A) to require the production of documents and giving of evidence for the purpose of assessing compliance with the disclosure obligations required of registered political parties and associated entities under Part XX of the Electoral Act.

Sub-section 316(2A) requires the party agent of a registered political party to produce the documents or other things referred to in a notice served by the authorised officer within the period and in the

manner specified in the notice or to appear, at the time and place specified in the notice, before the authorised officer to give evidence, either orally or in writing, and to produce the documents or other things referred to in the notice.

As part of this process, the authorised officer of the AEC served a notice on the party agent under s 316(2A) requiring the party to provide its financial records and other documents in relation to its financial operations for 2015–16.

Scope of the review

The records which were requested by the AEC from the party were limited to those which enabled the AEC to assess the following aspects of compliance with its disclosure obligations under Part XX of the Electoral Act:

- the timeliness of lodgement of the annual disclosure return
- the completeness and accuracy of the following information disclosed in the party's annual disclosure return for the 2015–16 financial year:
 - individual receipts above \$13,000
- the completeness and accuracy of information disclosed by Head Office on behalf of the following 15 party units:

1.	Murwillumbah Branch	9.	Page FEC
2.	Calare FEC	10.	Cowper FEC
3.	Wauchope Branch	11.	Walcha Branch
4.	Tumut Branch	12.	Richmond FEC
5.	Temora Branch	13.	Tenterfield Branch
6.	Nundle Branch	14.	Riverina
7.	New England FEC	15.	Parkes FEC
8.	Lyne FEC		

The AEC did not examine other aspects of the financial operations of the party such as the existence or effectiveness of internal controls.

Stakeholder engagement

The AEC's general practice is to communicate with the relevant officer of the party by phone, email and/or face to face meetings as appropriate to cover the following topics:

- financial reports and documentation available from the party's accounting system
- compliance issues arising from the AEC review of the financial reports and documentation provided by the party

- required and suggested amendments to the annual disclosure return which arise from the compliance review
- potential enhancements in the party's understanding of disclosure obligations and accounting processes to improve future compliance.

During the review the party provided documentation to the AEC as requested and within set timeframes.

A draft compliance review report was issued by the authorised officer on 26 October 2017. The party was provided with the opportunity to comment on the draft report by 9 November 2017. On 8 November 2017 the party advised that they did not have any comments on the report.

Review outcomes

1. Timely lodgement

Sub-section 314AB(1) of the Electoral Act requires the party agent of the registered political party to lodge an annual disclosure return with the AEC within 16 weeks after the end of the financial year. As lodgement occurred by the due date of 20 October 2016, it complied with the requirement under s 314AB(1) to lodge a return for a registered political party within 16 weeks after the end of the financial year.

2. Accuracy in reporting – amendments

After examining the documents provided by the party for the review, the authorised officer of the AEC identified no issues relating to compliance with disclosure obligations under s 314AC of the Electoral Act.

Party Units

Based on the records examined by the AEC, the financial information reported by Head Office on behalf of the party units was generally complete and supported by the documentation provided.

Matters requiring future action

It appeared that there were some instances where receipts greater than the threshold may not have been included in the calculation of total receipts. However, the value of these was not considered to be material.

It is recommended the party ensures the accuracy of future annual disclosure returns and therefore improve compliance with Part XX of the Electoral Act by checking the accuracy of all calculations of amounts for disclosure in the annual disclosure return.

Conclusion

The authorised officer of the AEC for the purposes of s 316(2) of the Electoral Act has assessed the 2015–16 annual disclosure return for the party lodged with the AEC on 20 October 2016 complied with the requirement under s 314AB(1) of the Electoral Act to lodge a return for a registered political party within 16 weeks after the end of the financial year.

The authorised officer of the AEC is further of the view that the 2015–16 annual disclosure return for the party lodged with the AEC on 20 October 2016 accurately sets out the information required to be disclosed by the National Party of Australia – N.S.W. under the provisions of s 314AC of the Electoral Act. Based on the records examined, it is the authorised officer's view that the party's 2015–16 annual disclosure return complies with the disclosure requirements under s 314AC of the Electoral Act.