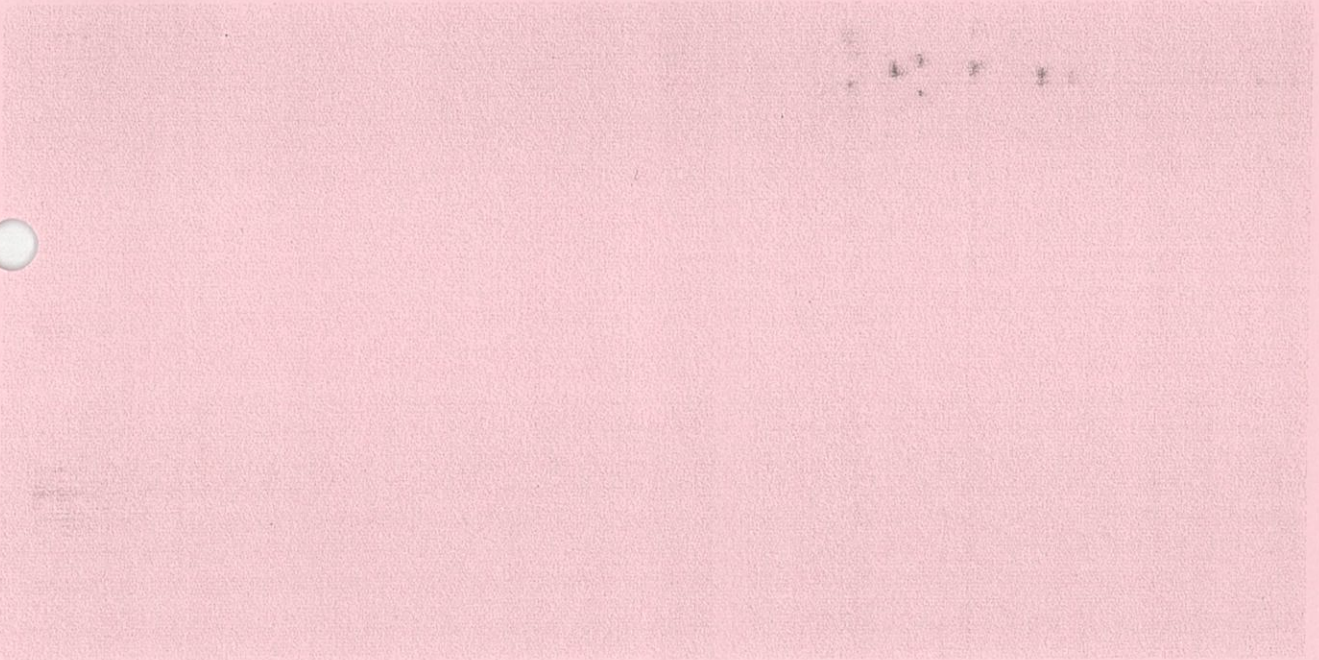
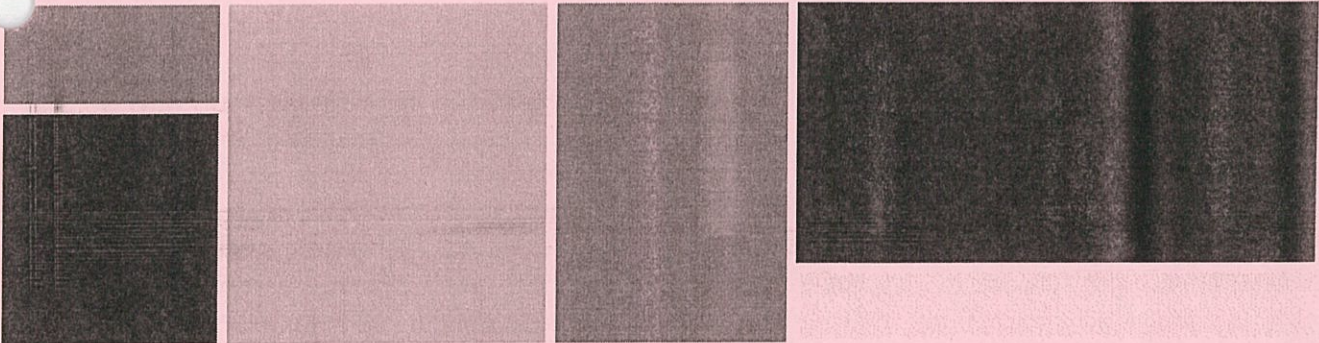


# Compliance Review Report

Parakeelia Pty Ltd

April 2012



**AEC**

Australian Electoral Commission



Contents

**Review details ..... 2**

    Background ..... 2

    Compliance and cooperation with the review ..... 2

**Review findings requiring amendment..... 3**

    Receipts above the disclosure threshold..... 3

    Total debts..... 3

**Matter requiring future action ..... 4**

    Reporting of total receipts and payments - methodology ..... 4

**Conclusion ..... 4**

    Enquiries and Assistance..... 4

**Attachment A..... 5**



## Review details

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

Date of visit: 3 April 2012

AEC review officers: Brad Edgman  
Anna Jurkiewicz

Entity staff involved: Colin Gracie

## 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 2009/10 financial year lodged on behalf of Parakeelia Pty Ltd (the Entity) complies with disclosure obligations as set out in the Act.

## Compliance and cooperation with the review

The compliance review was conducted under the provisions of the *Commonwealth Electoral Act 1918*. In accordance with s316 (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 Entity fully complied with the s316(2A) notice in delivering requested records to the AEC by the due date.



## Review findings requiring amendment

### 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 2009/10 financial year of more than \$11,200.

The transaction records contained in the Entity's general ledger and bank statements show two amounts reported as received from Parliamentary Services NZ. The transactions for the amount of \$11,750.01 and \$29,529.17 are recorded as received on 30 April 2010 and 21 May 2010 respectively. However, the disclosure return shows only one amount of \$29,529 as received from Parliamentary Services NZ. It appears, therefore, that the amount of \$11,750 was inadvertently omitted and not reported in the return.

To correct this omission, Part 2 of the *Request for Amendment* form should be completed and include the sum of the two amounts as set out below:

#### Required amendment

Name	Address	Amount
Parliamentary Services NZ	Parliament House, Wellington	\$41,279

### Total debts

Section 314AEA(1)(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 together with the details required by section 314AE.

The Entity's excel spread sheet listing individual debts indicates that these amounted to \$42,368 as at 30 June 2010. It appears that an error in process of adding up of the individual figures occurred resulting in reporting the figure of \$38,714 rather than \$42,368.

To correct this error, Part 5 of the *Request for Amendment* form should be completed and include the total amount as set out below:

#### Required amendment

Total debts	\$42,368
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## Matter requiring future action

As part of the records requested for the review, the Entity provided a set of documents including a number of reports from its MYOB accounting system. An examination of those records highlighted one disclosure issue that is discussed below.

### Reporting of total receipts and payments - methodology

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, s314AEA(1)(b) of the Act requires the financial controller of an associated entity to report the total amount paid by, or on behalf of, the entity during the financial year.

The Entity, therefore, must include in its total receipts and payments any amount received from and paid to external sources. Any movement of the funds within the Entity needs to be eliminated to avoid over-reporting.

Based on the details included in the Entity's working papers it appears that amounts reported to the Australian Tax Office (ATO) in its monthly Business Activity Statement (BAS) to determine amounts due to and from the ATO were also incorporated in the calculations of the total amounts. However, for the disclosure purposes under the Act only those amounts that were actually received from or paid to the ATO need to be incorporated into the total figures.

**Attachment A** to this report provides our workings in determining the total amounts received and paid based on the records provided for the review.

We suggest that the similar methodology shown in the Attachments should be considered when preparing the 2011/12 disclosure return.

## Conclusion

Except for the matters noted above, based on the records provided 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. To ensure full compliance with the Act, the matters noted above should be remedied.

### 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 on telephone number (02) 6271 4552 or by email at [fad@aec.gov.au](mailto:fad@aec.gov.au).



## Attachment A

Table 1: Total receipts - summary

	\$ Amounts	\$ Total Receipts
<b>Total Receipts - Disclosure Return</b>		<b>893,795</b>
MYOB General Ledger – only one bank account (1-1100)	864,932	
<b>Deduct:</b> Internal transfers between accounts	NA	
<b>TOTAL</b>		<b>864,932</b>
Difference		28,863 <i>(over-reported)</i>

Table 2: Total payments - summary

	\$ Amounts	\$ Total Payments
<b>Total Receipts - Disclosure Return</b>		<b>935,022</b>
MYOB General Ledger – only one bank account (1-1100)	905,401.99	
<b>Deduct:</b> Internal transfers between accounts	NA	
<b>TOTAL</b>		<b>905,402</b>
Difference		29,620 <i>(over-reported)</i>