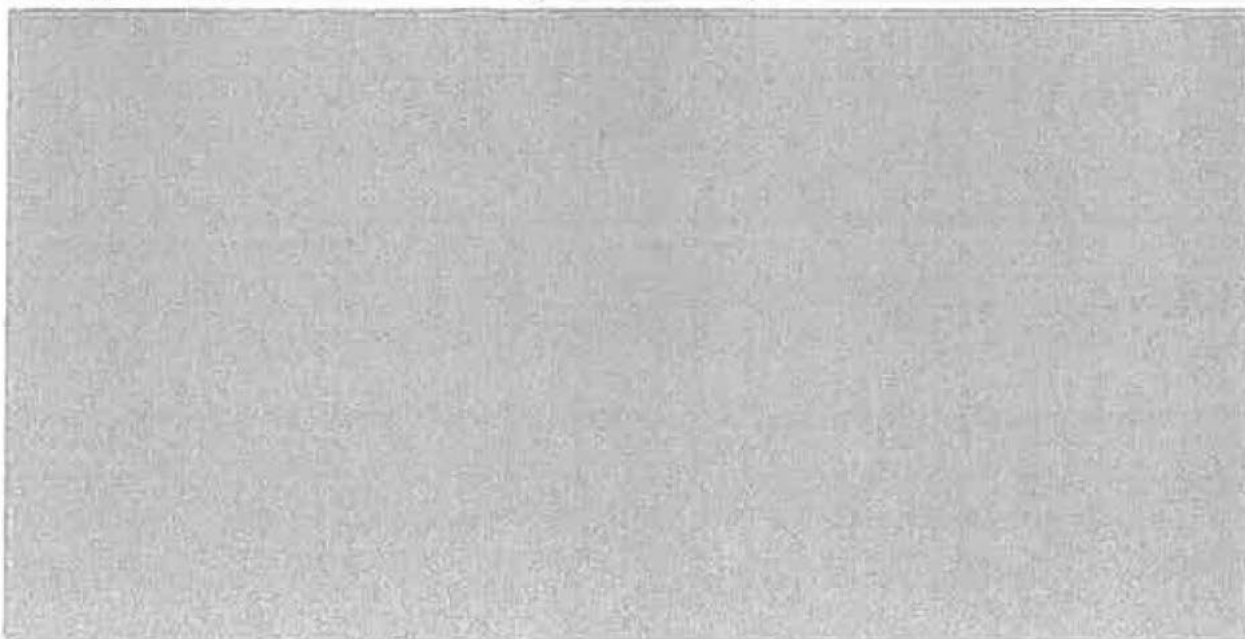
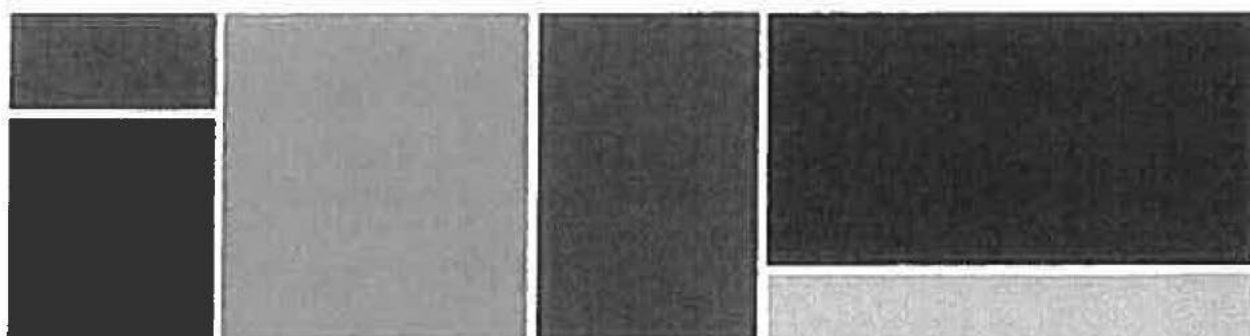


Compliance Review Report

Australian Labor Party (Northern Territory) Branch

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

Date of visit: June 2013

AEC review officers: Brad Edgman, Director
Alan Page, Assistant Director
Mary-Ann Waters, Review Officer

Party staff involved: Varenya Mohan-Ram, Party Agent
1 [REDACTED]

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 2011-12 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

Branch Office

During the review, AEC staff examined financial records of the Branch Office for the 2011-12 financial year. The Party fully complied with the first s316(2A) notice in delivering requested records to the AEC by the due date.

Party Units

The Party advised that it does operate party units and a review of all the documentation sent in for all twelve party units were carried out.

Review findings requiring amendment

Detailed examination of the Party's records identified a discrepancy that in our opinion requires correction on the 2011-12 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)].

Our examination of the transactions recorded in the Party's general ledger and the Party's working documents revealed one undisclosed amount, which the Party had incorrectly been eliminated as an internal transfer.

In view of the above, unless further evidence is provided, in our opinion, the details of the omitted receipt should be reported in Part 2 of the amended return as indicated below

Part 2 of the *Request for Amendment* form, therefore, should be completed to show the details of the receipt as set out in the table below.

Required amendment		
Name	Address	Amount
<i>Harold Nelson Holdings Pty Ltd as Trustee for Northern Territory ALP Investment Trust</i>	GPO Box 3919, DARWIN NT 0801	\$14,824

Matters requiring future action

The following matters need to be addressed before lodgement of disclosure returns in the future.

Accuracy of reporting - consolidated financial information

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 Branch Office, movement of funds between the Branch Office and party units and between various party units.

There is some indication in the Party's working papers that such adjustments were performed. The transactions that were listed and shown in your working calculations as contra amounts were not easily identified in the bank statements or general ledger. The

process involving consolidation of the Party's accounts therefore needs to be reviewed and refined so that the audit trail regarding the consolidation of accounts is available in the future.

Recommended actions

1. The Branch Office must capture all intraparty transactions recorded in its accounting system so that the Party's financial information reported in the disclosure return reflects the true level of the total amounts.
2. Investigation should be made as to why the 'trial balance report' run during our visit did not balance.
3. The Branch Office must maintain appropriate evidence to support the figures it reports in its working papers.

Party unit return forms

We note that the current party unit disclosure return lodged with the Branch Office caters exclusively for the information to be reported at the Branch level to satisfy the disclosure obligations under Northern Territory's *2004 Electoral Act*.

The current party unit return whilst requesting total amounts received, paid and owed does not ask party units to ensure that transfers between the Branch Office and party units and between party units have been eliminated prior to reporting to Branch Office, as noted above..

Recommended action

4. To satisfy Commonwealth legislation, it is essential that the Branch Office collects all the relevant information from the party units including the movement of funds between the party units' accounts and across party units, so as to eliminate these interparty transfers which amount to double counting.

Conclusion

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

For your convenience, a 2011-12 Request for Amendment – Political Party Disclosure Return form has been enclosed for your signature. Please return the completed amendment form to the AEC by Friday, 26 July 2013.

If it is your contention that our findings are incorrect or you wish to request amendments that are different or additional to those we have listed above, please also provide an explanation along with any supporting working papers and documents by this due date.

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.